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LEGISLATIVE HISTORY

Public Law 89-174

H. R. 6927

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INDEX AND SUMMARY OF H. R. 6927

Mar.	2, 1965	Received the President's message on establishment of Dept. of Housing. H. Doc. 99. Print of document.
Mar.	23, 1965	Rep. Reuss introduced and discussed H. R. 6654 which was referred to the Government Operations Committee. Print of bill and remarks of author.
Mar.	25, 1965	Sen. Ribicoff and others introduced and Sen. Ribicoff discussed S. 1599 which was referred to Government Operations Committee. Remarks of Sen. Ribicoff and print of bill.
Mar.	30, 1965	Rep. Fascell introduced H. R. 6927 which was referred to Government Operations Committee. Print of bill.
April	8, 1965	House subcommittee voted to report H. R. 6927.
May	5, 1965	House committee voted to report H. R. 6927.
May	11, 1965	House committee reported H. R. 6927 with amendment. H. Report 337. Print of bill and report.
May	19, 1965	Sen. Javits submitted a proposed amendment to S. 1599.
June	9, 1965	House Rules Committee granted rule on H. R. 6927.
June	14, 1965	Rules Committee reported a resolution for the consideration of H. R. 6927. H. Res. 419, H. Report 511. Print of resolution and report.
June	15, 1965	House began debate on H. R. 6927.
June	16, 1965	House passed H. R. 6927 as reported.
June	17, 1965	H. R. 6927 was referred to Senate Government Operations Committee. Print of bill as referred.
June	24, 1965	Senate subcommittee approved S. 1599.
July	30, 1965	Senate committee voted to report S. 1599.
Aug.	2, 1965	Senate committee reported S. 1599 with amendments. S. Report 536. Print of bill and report.
Aug.	6, 1965	Senate made S. 1599 its unfinished business.

THE JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION

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INDEX AND SUMMARY OF H. R. 6927, cont'd

Aug.	10, 1965	Senate began debate on S. 1599.
Aug.	11, 1965	Senate passed H. R. 6927 with amendments (in lieu of S. 1599).
		S. 1599 indefinitely postponed due to passage of H. R. 6927.
Aug.	18, 1965	House conferees were appointed on H. R. 6927.
Aug.	24, 1965	Senate conferees were appointed on H. R. 6927.
Aug.	26, 1965	House received conference report on H. R. 6927. (H. Report 884).
Aug.	30, 1965	Senate agreed to conference report.
Aug.	31, 1965	House agreed to conference report.
Sept.	9, 1965	Approved: Public Law 89-174.
		President's remarks when signing bill.

DIGEST OF PUBLIC LAW 89-174

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.

Establishes the Department of Housing and Urban Development, headed by a Secretary, appointed by the President with Senate confirmation. Transfers to the new Department the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, the Public Housing Administration, and the Federal National Mortgage Association. Provides for retention of the Federal Housing Administration as a separate entity within the new Department to be headed by a Federal Housing Commissioner who is also to be an Assistant Secretary.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
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For actions of March 2, 1965

89th.-1st; No. 39

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HIGHLIGHTS: House debated Appalachia bill. House received President's message on housing and urban development. Rep. Findley inserted Lubbeck Cotton Exchange letter criticizing cotton program. Rep. Reifel commended cooperation of REA coops and private power companies in S. Dak.

HOUSE

1. APPALACHIA. Continued debate on S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region. pp. 3819-51, 3882

Rejected the following amendments:

By Rep. Cramer, 65 to 152, which would have substituted the text of H.R. 4466, to extend the proposed program to other economically depressed areas throughout the U. S. pp. 3838-45

By Rep. Cramer, 66 to 118, to strike out a provision which he stated would give the Federal Cochairman of the Appalachian Regional Commission "an absolute veto over any program and over any project. pp. 3845-7

By Rep. Baldwin, to strike out provisions authorizing the construction of access roads in the area. pp. 3848-50

By Rep. Saylor, to increase from 70 to 90 percent Federal assistance for construction of highways in the area. p. 3851

2. HOUSING. Received the President's message on housing and urban development (H. Doc. 99) (pp. ~~3812-16~~) in which he called for establishment of a Department of Housing and Urban Development; proposed a program of matching grants to local governments for building new basic community facilities with an appropriation of \$100 million for fiscal year 1966; and urged Congress "to continue, on a modified basis, the existing housing programs which have proven their ability to meet important needs." The message includes the following statement: "Nor can we forget that most of our programs are designed to help all the people, in every part of the country. We do not intend to forget or neglect those who live on the farms, in villages, and in small towns. Coordinated with the Department of Agriculture, the programs I have outlined above can do much to meet rural America's need for housing and the development of better communities."

Reps. Albert, Boggs, and others commended the message. pp. 3816-8, 3883-4

3. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 2362, to strengthen and improve educational quality and educational opportunities in elementary and secondary schools. p. D145

4. ELECTRIFICATION. Rep. Reifel commended the agreements worked out between REA cooperatives, municipal power users, and investor-owned power companies in S. Dak. recently "over the troublesome territorial integrity dispute," and inserted several items discussing the agreements. pp. 3877-8

5. COTTON. Rep. Findley inserted a letter he received from the president of the Lubbock Cotton Exchange critical of the present cotton program and stating that it "has brought about a decrease in cotton exports, an increase in Government cotton stocks and much added costs, and a reduction in the cotton farmers income." pp. 3874-5

6. APPROPRIATIONS. Received from the President proposed supplemental appropriations for pay act costs (H. Doc. 98) (p. 3890) which include proposals for this Department as shown on the attached table. This document includes proposed supplemental appropriations of \$14,578,000. Together with supplemental appropriations for pay costs previously submitted to Congress (H. Doc. 80), a total of \$24,515,000 is requested for pay costs.

Reps. Mahon, Bow, and Minshall reviewed the history and highlights of the House Appropriations Committee on the 100th anniversary of its establishment. pp. 3863-8

7. ECONOMIC STATISTICS. Rep. Curtis inserted an item by Osker Morgenstern, professor of political economy, Princeton Univ., discussing margins of error in the collection and publication of economic statistics. pp. 3875-6

8. RESEARCH. Rep. Rousch criticized the geographical distribution of Federal research and development funds among the States. p. 3852

PROBLEMS AND FUTURE OF THE CENTRAL CITY AND ITS SUBURBS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

THE PROBLEMS AND FUTURE OF THE CENTRAL CITY AND ITS SUBURBS

MARCH 2, 1965.—Referred to the Committee of the Whole House on the State of the Union and ordered to be printed

To the Congress of the United States:

Throughout man's history, the city¹ has been at the center of civilization. It is at the center of our own society.

Over 70 percent of our population—135 million Americans—live in urban areas. A half century from now 320 million of our 400 million Americans will live in such areas. And our largest cities will receive the greatest impact of growth.

Numbers alone do not make this an urban nation. Finance and culture, commerce and government make their home in the city and draw their vitality from it. Within the borders of our urban centers can be found the most impressive achievements of man's skill and the highest expressions of man's spirit, as well as the worst examples of degradation and cruelty and misery to be found in modern America.

The city is not an assembly of shops and buildings. It is not a collection of goods and services. It is a community for the enrichment of the life of man. It is a place for the satisfaction of man's most urgent needs and his highest aspirations. It is an instrument for the advance of civilization. Our task is to put the highest concerns of our people at the center of urban growth and activity. It is to create and

¹ In this message the word "city" is used to mean the entire urban area—the central city and its suburbs

preserve the sense of community with others which gives us significance and security, a sense of belonging and of sharing in the common life.

Aristotle said: "Men come together in cities in order to live. They remain together in order to live the good life."

The modern city can be the most ruthless enemy of the good life, or it can be its servant. The choice is up to this generation of Americans. For this is truly the time of decision for the American city.

* * *

In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.

Between today and the year 2000, more than 80 percent of our population increase will occur in urban areas. During the next 15 years, 30 million people will be added to our cities—equivalent to the combined population of New York, Chicago, Los Angeles, Philadelphia, Detroit, and Baltimore. Each year, in the coming generation, we will add the equivalent of 15 cities of 200,000 each.

Already old cities are tending to combine into huge clusters. The strip of land from southern New Hampshire to northern Virginia contains 21 percent of America's population in 1.8 percent of its areas. Along the west coast, the Great Lakes, and the Gulf of Mexico, other urban giants are merging and growing.

Our new city dwellers will need homes and schools and public services. By 1975 we will need over 2 million new homes a year. We will need schools for 10 million additional children, welfare and health facilities for 5 million more people over the age of 60, transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

In the remainder of this century—in less than 40 years—urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

Yet these new overwhelming pressures are being visited upon cities already in distress. We have over 9 million homes, most of them in cities, which are run down or deteriorating; over 4 million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million acres a year. The old, the poor, the discriminated against are increasingly concentrated in central city ghettos; while others move to the suburbs leaving the central city to battle against immense odds.

Physical decay, from obsolescent schools to polluted water and air, helps breed social decay. It casts a pall of ugliness and despair on the spirits of the people. And this is reflected in rising crime rates, school dropouts, delinquency, and social disorganization.

Our cities are making a valiant effort to combat the mounting dangers to the good life. Between 1954 and 1963 per capita municipal tax revenues increased by 43 percent, and local government indebtedness increased by 119 percent. City officials with inadequate resources, limited authority, too few trained people, and often with too little public support, have, in many cases, waged a heroic battle to improve the life of the people they serve.

But we must do far more as a nation if we are to deal effectively with one of the most critical domestic problems of the United States.

Let us be clear about the core of this problem. The problem is people and the quality of the lives they lead. We want to build not just housing units, but neighborhoods; not just to construct schools, but to educate children; not just to raise income, but to create beauty and end the poisoning of our environment. We must extend the range of choices available to all our people so that all, and not just the fortunate, can have access to decent homes and schools, to recreation, and to culture. We must work to overcome the forces which divide our people and erode the vitality which comes from the partnership of those with diverse incomes and interests and backgrounds.

The problems of the city are problems of housing and education. They involve increasing employment and ending poverty. They call for beauty and nature, recreation, and an end to racial discrimination. They are, in large measure, the problems of American society itself. They call for a generosity of vision, a breadth of approach, a magnitude of effort which we have not yet brought to bear on the American city.

Whatever the scale of its programs, the Federal Government will only be able to do a small part of what is required. The vast bulk of resources and energy, of talent and toil, will have to come from State and local governments, private interests, and individual citizens. But the Federal Government does have a responsibility. It must help to meet the most urgent national needs; in housing, in education, in health, and in many other areas. It must also be sure that its efforts serve as a catalyst and as a lever to help and guide State and local governments toward meeting their problems.

We must also recognize that this message, and the program it proposes, does not fully meet the problems of the city. In part, this is because many other programs, such as those for education and health, are dealt with separately. But it is also because we do not have all the answers. In the last few years there has been an enormous growth of interest and knowledge and intellectual ferment. We need more thought and wisdom and knowledge as we painfully struggle to identify the ills, the dangers, and the cures for the American city. We need to reshape, at every level of government, our approach to problems which are often different than we thought and larger than we had imagined.

I want to begin that process today.

We begin with the awareness that the city, possessed of its own inexorable vitality, has ignored the classic jurisdictions of municipalities and counties and States. That organic unit we call the city spreads across the countryside, enveloping towns, building vast new suburbs destroying trees and streams. Access to suburbs has changed the character of the central city. The jobs and income of suburbanites may depend upon the opportunities for work and learning offered by the central city. Polluted air and water do not respect the jurisdictions of mayors and city councils, or even of Governors. Wealthy suburbs often form an enclave whereby the well-to-do and the talented can escape from the problems of their neighbors, thus impoverishing the ability of the city to deal with its problems.

The interests and needs of many of the communities which make up the modern city often seem to be in conflict. But they all have an overriding interest in improving the quality of life of their people.

And they have an overriding interest in enriching the quality of American civilization. These interests will only be served by looking at the metropolitan area as a whole, and planning and working for its development.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

To give greater force and effectiveness to our effort in the cities *I ask the Congress to establish a Department of Housing and Urban Development.*

Our urban problems are of a scope and magnitude that demand representation at the highest level of government. The Housing and Home Finance Agency was created two decades ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well.

The new Department will consist of all the present programs of HHFA. In addition it will be primarily responsible for Federal participation in metropolitan area thinking and planning. This new department will provide a focal point for thought and innovation and imagination about the problems of our cities. It will cooperate with other Federal agencies, including those responsible for programs providing essential education, health, employment, and social services. And it will work to strengthen the constructive relationships between Nation, State, and city—the creative federalism—which is essential to progress. This partnership will demand the leadership of mayors, Governors, and State legislatures.

INCENTIVES TO METROPOLITAN AREA COOPERATION

The Federal Government cannot, and should not, require the communities which make up a metropolitan area to cooperate against their wills in the solution of their problems. But we can offer incentives to metropolitan area planning and cooperation. We can help those who want to make the effort but lack the trained personnel and other necessary resources. And the new Department should have regional representatives in our metropolitan areas to assist, where assistance is requested, in the development of metropolitan area plans.

We already have Federal programs in which assistance depends upon the completion of soundly conceived metropolitan area plans, such as the mass transportation program passed by the 88th Congress. This program strikes at the heart of one of our most critical and urgent needs—a transportation system which can relieve congestion and make it possible for people to travel with comparative ease to places of work, learning, and pleasure.

I am proposing other programs which will also require sound, long-range development programs as a condition of Federal assistance. Wherever it can be done without leaving vital needs unmet, existing programs will also be keyed to planning requirements.

Among the most vital needs of our metropolitan areas is the requirement for basic community facilities—for water and sewerage. Many existing systems are obsolete or need major rehabilitation. And population growth will require a vastly increased effort in years ahead.

These basic facilities, by their very nature, require cooperation among adjacent communities. *I propose a program of matching grants to local governments for building new basic community facilities with an appropriation of \$100 million for fiscal 1966.* These grants will be contingent upon comprehensive, areawide planning for future growth; and will be made only for projects consistent with such planning.

One of the greatest handicaps to sound programs for future needs is the difficulty of obtaining desirable land for public buildings and other facilities. As growth is foreseen it should be possible to acquire land in advance of its actual use. Thus, when the need arises, the land will be there. *I recommend a Federal program for financial assistance to help in this advance acquisition of land.* Federal grants would be made available to cover the interest charges for 5 years on loans obtained by public bodies. Thus we will cover the costs during the period before the facilities are constructed.

Last year alone 1 million acres were urbanized. As our cities spread, far too often we create the ugliness and waste which we call urban sprawl. At times we find we have built new slum areas in our suburbs. Some of our programs are designed to stem this tide by helping city governments to plan their growth. But we must continue to depend upon the private developer and lender for most of our construction. And they sometimes lack the economic resources to insure high standards of development. *I therefore recommend a program of federally insured private loans, backed by Federal mortgage purchases where necessary, to finance the acquisition and development of land for entire new communities and planned subdivisions.*

This program should enable us to help build better suburbs. And it will also make it easier to finance the construction of brandnew communities on the rim of the city. Often such communities can help break the pattern of central city ghettos by providing low- and moderate-income housing in suburban areas.

This program will be complemented with a program of Federal financial assistance to State land development agencies. Under this program public bodies would acquire land, install basic facilities, and then resell the improved land to private builders for the construction of suburbs or new communities.

All of these programs would be dependent upon the existence of areawide planning for growth to which the aided developments must conform. They are designed to stimulate the farsighted planning for future growth which is necessary if we are to prevent sprawl and new slums, and to create standards which will guarantee a decent environment for our future city dwellers, whatever their race or income. In addition, these programs should enable us to build better suburbs; since it will be possible to acquire land and improve it before the imminent approach of the city has sent costs skyrocketing upward.

RESOURCES FOR PLANNING

To plan for the growth and development of an entire metropolitan area takes a wide range of skills and a large number of trained people. These vital human resources are in short supply. They are beyond the command of many of our cities. To help meet this need *I propose to establish an Institute of Urban Development as part of the new Department.*

This Institute will help support training of local officials in a wide range of administrative and program skills. It will administer grants to States and cities for studies and the other basic work which are the foundation of long-term programs. And it will support research aimed especially at reducing the costs of building and home construction through the development of new technology.

TEMPORARY NATIONAL COMMISSION

Good planning for our metropolitan areas will take not only determination, the spirit of cooperation and added resources. It will also take knowledge, more knowledge than we have now. *We need to study the structure of building codes across the country*, their impact on housing costs, how building codes can be simplified and made more uniform, and how housing codes might be more effectively enforced to help eliminate slums.

Zoning regulations also affect both the cost and pattern of development. We must better learn how zoning can be made consistent with sound urban development.

Few factors have greater impact on cost, on land speculation, and on the ability of private enterprise to respond to the public interest, than *local and Federal tax policies*. These, too, must be examined to determine how they can best serve the public interest.

Finally, *we must begin to develop better and more realistic standards for suburban development*. Even where local authorities wish to prevent sprawl and blight, to preserve natural beauty, and insure decent, durable housing they find it difficult to know what standards should be expected of private builders. We must examine what kind of standards are both economically feasible and will provide livable suburbs.

To examine all these problems *I recommend the establishment of a Temporary National Commission on Codes, Zoning, Taxation, and Development Standards*. I predict that the body masked by such an unwieldy name may emerge with ideas and instruments for a revolutionary improvement in the quality of the American city.

This entire range of programs is designed to help us begin to think and act across historic boundaries to enrich the life of the people of our metropolitan areas. We do not believe such planning is a cure-all or a panacea. It can sometimes be a slender reed. It must be flexible and open to change, and we cannot wait for completed plans before trying to meet urgent needs in many areas. But it will teach us to think on a scale as large as the problem itself and act to prepare for the future as well as to repair the past.

I hope that, as time goes by, more and more of our Federal programs can be brought into harmony with metropolitan area programs. For in this approach lies one of our brightest hopes for the effective use of local, as well as Federal, resources in improving the American city.

THE PHYSICAL ENVIRONMENT

We owe the quality of American housing to the initiative and vitality of our private housing industry. It has provided the homes which have made most of our citizens the best housed people in the world. Our Federal housing programs are designed to work in support of

private effort and to meet the critical needs which can only be met through government action.

After World War II we worked to revitalize the housing market and provide homes for a growing number of our people. This effort has been successful far beyond our initial hopes. However, the problem now has a different shape. It is not enough simply to build more and more units of housing. We must build neighborhoods and communities. This means combining construction with social services and community facilities. It means to build so that people can live in attractive surroundings sharing a strong sense of community.

To meet new objectives we must work to redirect, modernize, and streamline our housing programs. I will ask the Congress to begin the process this year, while continuing those programs which are providing necessary assistance.

We hope to achieve a large increase of homes for low- and moderate-income families—those in greatest need of assistance—through an array of old and new instruments designed to work together toward a single goal—

To insist on stricter enforcement of housing codes by communities receiving Federal aid, thus mounting an intensified attack on slums.

But such insistence is not realistic, and often not desirable, unless we can provide realistic alternatives to slum housing. We will do this by—

providing rent supplements for families across a wide range of lower and moderate income brackets so they can afford decent housing.

providing rent supplement assistance to those forced out of their homes by code enforcement and all forms of federally assisted government action, from highways to urban renewal.

using both urban renewal funds and public housing funds to rehabilitate existing housing and make it available to low- and moderate-income families. There is no reason to tear down and rebuild if existing housing can be improved and made desirable.

emphasizing residential construction and rehabilitation on a neighborhoodwide scale in the urban renewal program.

These instruments, combined with existing public housing and direct loan programs, will greatly strengthen our existing effort. They should offer direct assistance to the housing of 1 million families over the next 4 years. Moreover they will immensely add to our flexibility in the process of building neighborhoods.

RENT SUPPLEMENTS

The most crucial new instrument in our effort to improve the American city is the rent supplement.

Up to now Government programs for low- and moderate-income families have concentrated on either direct financing of construction; or on making below-the-market-rate loans to private builders. We now propose to add to these programs through direct payment of a portion of the rent of needy individuals and families.

The homes themselves will be built by private builders, with Federal Housing Administration insurance, and, where necessary, mortgage purchases by the Federal National Mortgage Association. The major Federal assistance will be the rent supplement payment for each eligible family.

This approach has immense potential advantages over low-interest loan programs:

First, its flexibility will allow us to help people across a much broader range of income than has hitherto been possible. And it will therefore make it possible significantly to increase the supply of housing available to those of moderate income.

Second, the payment can be keyed to the income of the family. Those with lower incomes will receive a greater supplement. Under present direct loan programs the amount of the subsidy is the same for all who live in a federally assisted development regardless of individual need.

Third, the amount of assistance can be reduced as family income rises. It can be ended completely when income reaches an adequate level. Thus we will not end up, as is sometimes the case, helping those who no longer need help.

Fourth, it will be unnecessary to evict from their homes those whose income has risen above the point of need. This will eliminate what is often a great personal hardship.

Fifth, since the supplement is flexible it will permit us to encourage housing in which families of different incomes, and in different age groups, can live together. It will make it unnecessary for the Government to assist and even require the segregation by income level which detracts from the variety and quality of urban life.

In the long run this may prove the most effective instrument of our new housing policy. In order to give it a fair chance we are limiting it to carefully designed categories of need—

in a program of rental and cooperative housing for those low and moderate income families displaced by Government action or now living in substandard housing. The subsidy will help them pay rent or meet payments on a federally insured mortgage.

in a program of homeownership for those displaced or living in substandard housing who display a capacity for increasing income and eventually owning their own home.

in a program to provide a broader range of housing for the elderly with inadequate incomes. The existing direct loan program for the elderly will continue at its existing level with the funds already provided by the Congress. I intend to insure a steadily increasing supply of federally assisted housing for older Americans.

On this basis our rent supplement program should finance more than 500,000 homes over the next 4 years, while improving our ability to make these homes serve the social needs of those who live in them. If it works as well as we expect, it should be possible to phase out most of our existing programs of low-interest loans.

REHABILITATION

We have concentrated almost all our past effort on building new units, when it is often possible to improve, rebuild, and rehabilitate existing homes with less cost and less human dislocation. Even some areas now classed as slums can be made decent places to live with intensive rehabilitation. In this way it may often be possible to meet our housing objectives without tearing people away from their familiar neighborhoods and friends. Sometimes the same objective can be achieved by helping local authorities to lease standard homes for low-rent families.

I recommend a change in the public housing formula so that we can more readily use public housing funds to acquire and rehabilitate existing dwellings—and to permit local authorities to lease standard housing for low-rent families. This will assist particularly in providing housing for large families.

I recommend the use of urban renewal funds to permit low-income homeowners to repair their homes and nonprofit sponsors to rehabilitate and operate homes for low-income families at rents they can afford.

I have recommended the appropriation of funds for low-interest rehabilitation loans under urban renewal, designed to help rescue our existing housing from blight and decay.

EXISTING PROGRAMS

I ask Congress to continue, on a modified basis, the existing housing programs which have proven their ability to meet important needs. But I also wish to state my intention to reduce or eliminate these programs whenever new and more flexible instruments have shown they can do a better job.

The public housing program should be continued with an authorization ample enough to permit an increase in the number of new units as well as to conduct a program of rehabilitation.

I ask the continuation, at the rate of 40,000 additional units for fiscal 1966, of the program of below-market interest rate mortgage purchases for housing for moderate income families. At the same time we must recognize that the benefits of this program are decreasing as the rising costs of Federal borrowing narrows the difference between the interest we ask and that demanded in the private market.

I urge continued support for our college housing program which is struggling to keep up with the needs of a rising volume of students.

I ask that our urban renewal program be increased to a level of \$750 million a year by 1968. This program has done much to help our cities. But we have also learned, through hard experience, that there is more to eliminating slums and building neighborhoods than knocking down old buildings and putting up new ones.

Through using funds for rebuilding existing housing and by providing more and better assistance to families forced out by urban renewal, we can make this program better serve the people it is meant to help. We will continue to use urban renewal to help revitalize the business and industrial districts which are the economic base of the central city. *But this program should be more and more concentrated on the development of residential areas so that all our tools—from the poverty program, to education and construction—can be used together to create meaningful and livable communities within the city.*

To accomplish this purpose cities must develop long-range programs which take into account human as well as construction needs. Therefore *I recommend that every city of 50,000 or larger develop a community renewal program as a condition of Federal help for urban renewal. These programs will provide an orderly schedule and pattern for development of areas of blight and decay—combining social and educational services with the planning of physical construction.*

NEIGHBORHOOD FACILITIES

A community must offer added dimensions to the possibilities of daily life. It must meet the individual's most pressing needs and provide places for recreation and for meeting with neighbors. *I therefore recommend a new program of matching grants to help local governments build multipurpose neighborhood centers for health and recreation and community activity.* Related to our housing programs these centers can help urban renewal and public housing meet the goal of creating a meaningful community.

At the same time these centers must not be isolated expressions of interest. They should be part of an overall program for improving the life of people in disadvantaged areas. Therefore, I am recommending that in cities participating in the war against poverty these grants be made only when they are consistent with an approved community action program.

BEAUTIFYING THE CITY

In my message on natural beauty I pointed out that much of the effort of the new conservation would be directed toward the city. *I recommend changes in the open space program, broadening its authority to help local governments acquire and clear areas to create small parks and squares, malls, and playgrounds. In addition I recommend special grants to cities for landscaping, the planting of trees, the improvement of city parks, and other measures to bring beauty and nature to the city dweller.*

But beauty is not simply a matter of trees and parks. The attractiveness of our cities depends upon the design and architecture of buildings and blocks and entire urban neighborhoods. I intend to take further steps to insure that Federal construction does not contribute to drab and ugly architecture. But in this field, as in so many others, most of our hopes rest on the concern and work of local governments and private citizens.

CONCLUSION

This message can only deal with a fragment of the effort increasingly directed toward improving the quality of life in the American city. The creation of jobs, the war against poverty, support for education and health, programs for natural beauty and antipollution are all part of an effort to build the great cities which are at the foundation of our hopes for a Great Society.

Nor can we forget that most of our programs are designed to help all the people, in every part of the country. We do not intend to forget or neglect those who live on the farms, in villages, and in small towns. Coordinated with the Department of Agriculture, the programs I have outlined above can do much to meet rural America's need for housing and the development of better communities.

Many of these programs are intended to help the poor and those stripped of opportunity. But our goal is more ambitious than that. It is nothing less than to improve the quality of life for every American. In this quest the future of the American city will play the most vital role. There are a few whose affluence enables them to move through the city guarded and masked from the realities of the life around them.

But they are few indeed. For the rest of us the quality and condition of our lives is inexorably fixed by the nature of the community in which we live. Slums and ugliness, crime and congestion, growth and decay inevitably touch the life of all. Those who would like to enjoy the lovely parks of some of our great cities soon realize that neither wealth nor position fully protects them against the failures of society. Even among strangers, we are neighbors.

We are still only groping toward solution. The next decade should be a time of experimentation. Our cities will not settle into a drab uniformity directed from a single center. Each will choose its own course of development—whether it is to unite communities or build entirely new metropolitan areas. We will seek new ways to structure our suburbs and our transportation; new techniques for introducing beauty and improving homes. This is an effort which must command the most talented and trained of our people, and call upon administrators and officials to act with generosity of vision and spaciousness of imagination.

I believe today's proposals are an important start along that road. They should help us to look upon the city as it really is: a vast and myriad complex of homes and communities, people and their needs, hopes and frustrations. It can liberate the expectations of men, or it can crush them in body and spirit.

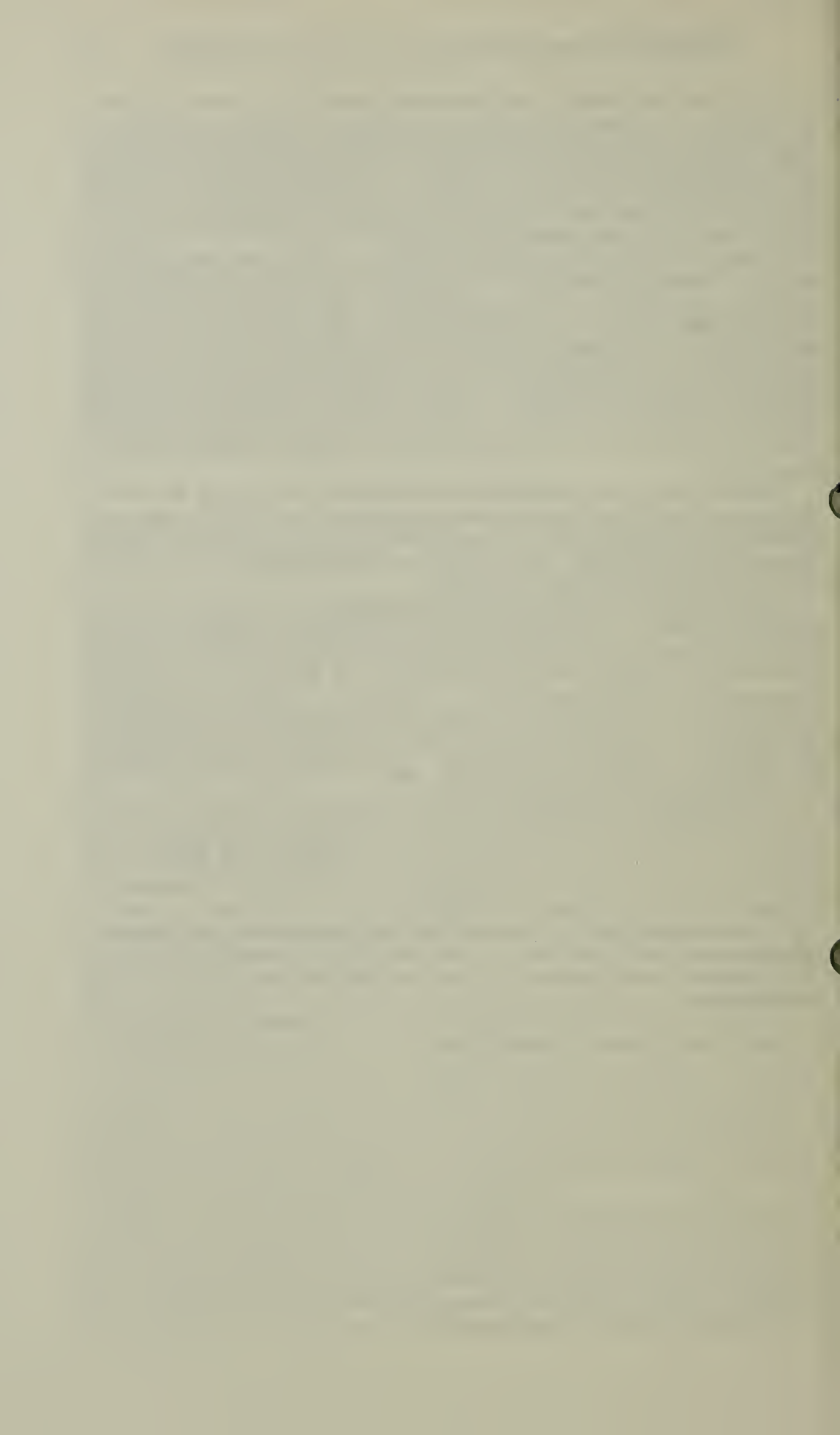
For underneath all the rest, at the very bottom of all we do, is the effort to protect, under the conditions of the modern world, values as old as this Nation and the civilization from which it comes. We work in our cities to satisfy our needs for shelter and work and the ability to command a satisfying way of life. We wish to create a city where men and women can feed the hunger of the spirit for beauty and have access to the best of man's work; where education and the richness of diversity expands our horizons and extends our expectations. But we also look for something more.

The American city should be a collection of communities where every member has a right to belong. It should be a place where every man feels safe on his streets and in the house of his friends. It should be a place where each individual's dignity and self-respect is strengthened by the respect and affection of his neighbors. It should be a place where each of us can find the satisfaction and warmth which comes only from being a member of the community of man. This is what man sought at the dawn of civilization. It is what we seek today.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *March 2, 1965.*





H. R. 6654

IN THE HOUSE OF REPRESENTATIVES

January 10, 1919.

Mr. [Name] introduced the following bill, which was read twice and passed to the Committee on Commerce and Navigation.

A BILL

To establish a Department of Housing and Urban Improvement and Economic Expansion.

1. That it be and it is the duty of the President of the United States
2. To cause the Department of Housing and Urban Improvement and Economic Expansion
3. To be established as a Department of the Executive Branch of the Government
4. And to cause the Department to be organized as follows:
5. (a) The Department shall be organized as follows:

89TH CONGRESS
1ST SESSION

H. R. 6654

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 1965

Mr. REUSS introduced the following bill; which was referred to the Committee on Government Operations

A BILL

To establish a Department of Housing and Urban Development,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Housing
4 and Urban Development Act".

5 DECLARATION OF PURPOSE

6 SEC. 2. The Congress hereby declares that the general
7 welfare and security of the Nation and the health and living
8 standards of our people require, as a matter of national
9 purpose, sound development of the Nation's urban communi-
10 ties and metropolitan areas in which the vast majority of its
11 people live and work.

1 To carry out such purpose, and in recognition of the
2 increasing importance of housing and urban development in
3 our national life, the Congress finds that establishment of an
4 executive department is desirable to achieve the best adminis-
5 tration of the principal programs of the Federal Government
6 which provide assistance for housing and for the development
7 of the Nation's communities; to assist the President in achiev-
8 ing maximum coordination of the various Federal activities
9 which have a major effect upon urban, suburban, or metro-
10 politan development; to encourage the solution of problems
11 of housing and urban development through State, county,
12 town, village, or other local and private action, including
13 promotion of interstate, regional, and metropolitan coopera-
14 tion; and to provide for full and appropriate consideration,
15 at the national level, of the needs and interests of the Nation's
16 communities and of the people who live and work in them.

17 ESTABLISHMENT OF DEPARTMENT

18 SEC. 3. (a) There is hereby established at the seat of
19 government an executive department to be known as the
20 Department of Housing and Urban Development (herein-
21 after referred to as the "Department"). There shall be at
22 the head of the Department a Secretary of Housing and
23 Urban Development (hereinafter referred to as the "Secre-
24 tary"), who shall be appointed by the President, by and
25 with the advice and consent of the Senate. The Department

1 shall be administered under the supervision and direction
2 of the Secretary. The Secretary shall receive compensation
3 at the rate now or hereafter prescribed by law for the heads
4 of executive departments.

5 (b) The Secretary shall, among his responsibilities,
6 advise the President with respect to Federal programs and
7 activities relating to housing and urban development; de-
8 velop and recommend to the President policies for fostering
9 the orderly growth and development of the Nation's urban
10 areas; exercise leadership at the direction of the President in
11 coordinating Federal activities affecting housing and urban
12 development; provide technical assistance and information,
13 including a clearinghouse service to aid State, county, town,
14 village, or other local governments in developing solutions
15 to urban and metropolitan development problems; encourage
16 comprehensive planning by the State and local governments
17 with a view to coordinating Federal, State, and local urban
18 development activities, and conduct continuing comprehen-
19 sive studies, and make available findings, with respect to
20 the problems of housing and urban development.

21 (c) Nothing in this Act shall be construed to deny or
22 limit the benefits of any program, function, or activity as-
23 signed to the Department by this or any other Act to any
24 community on the basis of its population or corporate status,
25 except as may be expressly provided by law.

1 UNDER SECRETARY AND OTHER OFFICERS

2 SEC. 4. (a) There shall be in the Department an Under
3 Secretary, four Assistant Secretaries, and a General Counsel,
4 who shall be appointed by the President by and with the
5 advice and consent of the Senate, who shall receive com-
6 pensation at the rate now or hereafter provided by law for
7 under secretaries, assistant secretaries, and general counsels,
8 respectively, of executive departments, and who shall per-
9 form such functions, powers, and duties as the Secretary
10 shall prescribe from time to time.

11 (b) There shall be in the Department an Assistant
12 Secretary for Administration, who shall be appointed, with
13 the approval of the President, by the Secretary under the
14 classified civil service, who shall perform such functions,
15 powers, and duties as the Secretary shall prescribe from time
16 to time, and whose annual rate of compensation shall be the
17 same as that now or hereafter provided by or pursuant to
18 law for Assistant Secretaries for administration of executive
19 departments.

20 TRANSFERS TO DEPARTMENT

21 SEC. 5. (a) Except as otherwise provided in subsection
22 (b) of this section, there are hereby transferred to and vested
23 in the Secretary all of the functions, powers, and duties of the
24 Housing and Home Finance Agency, of the Federal Housing
25 Administration and the Public Housing Administration in

1 that Agency, and of the heads and other officers and offices
2 of said agencies.

3 (b) The Federal National Mortgage Association, to-
4 gether with its functions, powers, and duties, is hereby trans-
5 ferred to the Department. The next to the last sentence
6 of section 308 of the Federal National Mortgage Associa-
7 tion Charter Act and the item numbered (94) of section
8 303 (e) of the Federal Executive Salary Act of 1964 are
9 hereby repealed, and the position of the President of said
10 Association is hereby allocated among the positions referred
11 to in section 7 (c) hereof.

12 CONFORMING AMENDMENTS

13 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United
14 States Code is hereby amended by striking out the period at
15 the end thereof and inserting a comma and the following:
16 "Secretary of Health, Education, and Welfare, Secretary of
17 Housing and Urban Development."

18 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
19 is amended by adding at the end thereof:

20 "Eleventh. The Department of Housing and Urban
21 Development."

22 (c) The amendment made by subsection (b) of this
23 section shall not be construed to make applicable to the
24 Department any provision of law inconsistent with this Act.

1 ADMINISTRATIVE PROVISIONS

2 SEC. 7. (a) The personnel employed in connection with,
3 and the assets, liabilities, contracts, property, records, and
4 unexpended balances of appropriations, authorizations, allo-
5 cations, or other funds held, used, arising from, or available
6 or to be made available in connection with, the functions,
7 powers, and duties transferred by section 5 of this Act are
8 hereby transferred with such functions, powers, and duties,
9 respectively.

10 (b) No transfer of functions, powers, and duties shall at
11 any time be made within the Department in connection with
12 the secondary market operations of the Federal National
13 Mortgage Association unless the Secretary finds that the
14 rights and interests of owners of outstanding common stock
15 issued under the Federal National Mortgage Association
16 Charter Act will not be adversely affected thereby.

17 (c) The Secretary is authorized, subject to the civil
18 service and classification laws, to select, appoint, employ, and
19 fix the compensation of such officers and employees, in-
20 cluding attorneys, as shall be necessary to carry out the pro-
21 visions of this Act and to prescribe their authority and
22 duties: *Provided*, That any other provision of law to the
23 contrary notwithstanding, the Secretary may fix the com-
24 pensation for not more than six positions in the Department
25 at the annual rate applicable to positions in level V of the

1 Federal Executive Salary Schedule provided by the Federal
2 Executive Salary Act of 1964.

3 (d) The Secretary may delegate any of his functions,
4 powers, and duties to such officers and employees of the
5 Department as he may designate, may authorize such suc-
6 cessive redelegations of such functions, powers, and duties
7 as he may deem desirable, and may make such rules and
8 regulations as may be necessary to carry out his functions,
9 powers, and duties. The second proviso of section 101 (c)
10 of the Housing Act of 1949 is hereby repealed.

11 (e) The Secretary may obtain services as authorized
12 by section 15 of the Act of August 2, 1946, at rates not to
13 exceed \$100 per diem for individuals.

14 (f) The Secretary is authorized to establish a working
15 capital fund, to be available without fiscal year limitation, for
16 expenses necessary for the maintenance and operation of
17 such common administrative services as he shall find to be
18 desirable in the interest of economy and efficiency in the
19 Department, including such services as a central supply
20 service for stationery and other supplies and equipment for
21 which adequate stocks may be maintained to meet in whole
22 or in part the requirements of the Department and its agen-
23 cies; central messenger, mail, telephone, and other communi-
24 cations services; office space; central services for document
25 reproduction and for graphics and visual aids; and a central

1 library service. In addition to amounts appropriated to
2 provide capital for said funds, which appropriations are
3 hereby authorized, the fund shall be capitalized by transfer to
4 it of such stocks of supplies and equipment on hand or on
5 order as the Secretary shall direct. Such fund shall be
6 reimbursed from available funds of agencies and offices in
7 the Department for which services are performed at rates
8 which will return in full all expenses of operation, including
9 reserves for accrued annual leave and for depreciation of
10 equipment.

11 (g) The Secretary shall cause a seal of office to be made
12 for the Department of such device as he shall approve, and
13 judicial notice shall be taken of such seal.

14 ANNUAL REPORT

15 SEC. 8. The Secretary shall, as soon as practicable after
16 the end of each calendar year, make a report to the Presi-
17 dent for submission to the Congress on the activities of the
18 Department during the preceding calendar year.

19 SAVINGS PROVISIONS

20 SEC. 9. (a) No cause of action by or against any agency
21 whose functions are transferred by this Act, or by or against
22 any officer of any such agency in his official capacity, shall
23 abate by reason of this enactment. Such causes of action
24 may be asserted by or against the United States or such
25 official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency

1 therein, except the Federal National Mortgage Association
2 and its officers, shall be deemed to mean the Secretary. The
3 positions and agencies heretofore established by law in con-
4 nection with the functions, powers, and duties transferred
5 under section 5 (a) of this Act shall lapse.

6 SEPARABILITY

7 SEC. 10. Notwithstanding any other evidence of the
8 intent of Congress, it is hereby declared to be the intent of
9 Congress that if any provision of this Act, or the application
10 thereof to any persons or circumstances, shall be adjudged
11 by any court of competent jurisdiction to be invalid, such
12 judgment shall not affect, impair, or invalidate the remainder
13 of this Act or its application to other persons and circum-
14 stances, but shall be confined in its operation to the provision
15 of this Act, or the application thereof to the persons and
16 circumstances, directly involved in the controversy in which
17 such judgment shall have been rendered.

18 EFFECTIVE DATE AND INTERIM APPOINTMENTS

19 SEC. 11. (a) The provisions of this Act shall take effect
20 upon the expiration of the first period of sixty calendar days
21 following the date on which this Act is approved by the
22 President, or on such earlier date as the President shall
23 specify by Executive order published in the Federal Register,
24 except that any of the officers provided for in sections 3 (a),
25 4 (a), and 4 (b) of this Act may be nominated and ap-

1 pointed, as provided in such sections, at any time after the
2 date this Act is approved by the President.

3 (b) In the event that one or more officers required by
4 this Act to be appointed by and with the advice and consent
5 of the Senate shall not have entered upon office on the effec-
6 tive date of this Act, the President may designate any person
7 who was an officer of the Housing and Home Finance
8 Agency immediately prior to said effective date to act in
9 such office until the office is filled as provided in this Act or
10 until the expiration of the first period of sixty days following
11 said effective date, whichever shall first occur. While so
12 acting such persons shall receive compensation at the rates
13 provided by this Act for the respective offices in which they
14 act.

89TH CONGRESS
1ST SESSION

H. R. 6654

A BILL

To establish a Department of Housing and
Urban Development, and for other purposes.

By Mr. REUSS

MARCH 23, 1965

Referred to the Committee on Government Operations

going to our cold war enemies. Even the cynics were surprised at the current sale inasmuch as soybeans are not even surplus.

Soybeans are versatile, being used for margarine, bread, drugs, fertilizers, insect sprays, and plastic. Just what the Russians intend to do with their 4 million bushels is unknown.

Grain merchants predict more deals in the offing. If so, there is no reason to believe that the Commerce Department won't give an export license. Since the soybean price is well above the subsidy price, the Government cannot stipulate shipping arrangements, as it tried to do for wheat.

You will remember that in October 1963, Federal officials required that the wheat for Russia be sent in U.S. vessels. American longshoremen refused for a while to load the ships.

In the end, however, an increase in loading fees brought the longshoremen around, and pressure from our allies and Russia led us to relax our requirements to the extent that only half its shipments had to go in higher priced U.S. ships.

It was a flimsy dodge—once our pesky scruples were laid aside—for Canadian ships to load "Russian" wheat at U.S. ports, and before getting out of sight of land receive "changed orders" sending the ship directly to Cuba. American ships cannot visit Cuba because of an official "blockade" ignored by nearly every other country.

Continental was the principal in those first wheat deals to the tune of nearly \$80 million. Russia bought the wheat at less than American bakeries pay for the commodity—the American taxpayers making up the difference through subsidies.

The sale of "surplus" farm products is raising ruckus in other parts of the world, also, these days.

Gamal Nasser, President of the United Arab Republic, last month told the United States to "go drink the ocean," an Oriental insult equivalent to "go to hell." The Egyptians underscored their spite by burning down the U.S. Information Library, not once but twice.

Reason for the outburst was a mild remonstrance from our Government that Nasser shouldn't transship our wheat and other foodstuffs to Congolese rebels.

At stake is \$17 million worth of commodities. Nasser can afford to be belligerent only because this is the last shipment of \$420 million of wheat sold to him over the last 2½ years.

Uncle Sam smiles tolerantly and says he is going ahead with the last shipment anyway.

This spineless response to a flat-out spit in the face riled Representative ROBERT H. MICHEL, Republican, of Illinois, and Congressman Bow, ranking minority member of the powerful House Appropriations Committee. They engineered an amendment to a bill providing \$1.6 billion to the Commodity Credit Corporation, which handles sales of "surplus" farm products, prohibiting further deals with Nasser.

President Johnson persuaded the Senate to put aid to Egypt back into the bill, thus requiring the House to reconsider. I certainly hope we don't kow-tow to Nasser or any other international hoodlums, but Johnson gets what Johnson wants.

There seems to be some quaint notion that Congress has no business in foreign policy, and we should let the President do as he wishes in this area.

The Founding Fathers must be spinning in their graves. As the Federalist Papers make clear, and as American history has demonstrated, the responsibility for foreign affairs rests with the representatives of the people—not with a single chief executive.

It is a great mystery to me what we hope to accomplish by toadying to Nasser. I read a large number of newspapers and magazines on current events. Nowhere have I discovered any reason advanced for deference to

the United Arab Republic dictator. If any reader has some obscure reference shedding light on this situation I would greatly appreciate having it.

It is a sad fact that the \$3.3 billion foreign aid we are handing out is important to our economy. When you consider that 75 percent of all foreign aid goes for the purchase of farm and industrial products in the United States, you can see why. On top of this we feel obligated to rid ourselves of mounting farm surpluses by selling them at discount prices to our avowed enemies.

Surely, it must be possible to channel help to our friends and deny it to those who openly work against us without wrecking the U.S. economy.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 15 minutes.

Mr. REUSS. Mr. Speaker, one of the most important recommendations of President Johnson in his far-seeing message to Congress on America's cities was for the establishment of a Department of Housing and Urban Development.

I am pleased today to introduce the legislation, H.R. 6654, recommended by President Johnson to create this vitally needed new Department.

Our cities can be means of fostering and furthering the good life for Americans of which the President spoke. Or they can be enemies of the good life, and the breeding grounds of degradation and misery.

By establishing the Department of Housing and Urban Development, we shall take a significant step toward improving the quality of urban life.

The problems of our cities are among our foremost national problems. The organization of the Federal Government should reflect this obvious fact. We should promptly give urban affairs their due representation and consideration at the Cabinet level.

The new Department would help coordinate and focus all the Federal programs to aid our cities. It would improve administration and encourage solution of urban problems through the cooperation of private persons and groups and all levels of government.

A section-by-section summary of H.R. 6654 follows:

SECTION-BY-SECTION SUMMARY OF A BILL TO ESTABLISH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SHORT TITLE

Section 1 provides that the act would be cited as the "Department of Housing and Urban Development Act."

DECLARATION OF PURPOSE

Section 2 sets forth the purpose of the bill and that the Congress finds that establishment of an executive department is desirable to carry out the purpose.

Congress would declare that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out the purposes, Congress would find that establishment of an executive department is desirable to (1) achieve the best administration of the principal programs of the Federal Government which provide as-

sistance for housing and for the development of the Nation's communities; (2) assist the President in achieving maximum coordination of Federal activities which have a major effect upon urban, suburban, or metropolitan development; (3) encourage the solution of problems of housing and urban development through State, county, town, village, or other local and private action (including promotion of interstate, regional, and metropolitan cooperation); and (4) provide for full consideration, at the national level, of the needs and interests of the Nation's communities and their people.

ESTABLISHMENT OF DEPARTMENT—RESPONSIBILITIES OF THE SECRETARY

Section 3(a) establishes the Department of Housing and Urban Development and provides that it would be headed by a Secretary of Housing and Urban Development, who would be appointed by the President with Senate confirmation.

The Department would be administered under the supervision and direction of the Secretary. The Secretary would receive compensation at the rate now or hereafter prescribed by the law for the heads of executive departments. (At present, under sec. 303(a) of the Federal Executive Salary Act of 1964, the secretaries of departments receive \$35,000 per annum.)

Section 3(b) directs the Secretary, among his other responsibilities, to advise the President with respect to Federal programs and activities relating to housing and urban development; to develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the discretion of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information (including a clearinghouse service) to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and local urban development activities; and to conduct continuing studies of housing and urban development problems.

Section 3(c) provides that nothing in the bill shall be construed to deny or limit the benefits of any program, function, or activity to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

Section 4(a) provides that there shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, all of whom would be appointed by the President and confirmed by the Senate. These officers would perform the functions, powers, and duties prescribed by the Secretary. They would receive the same compensation as the Under Secretaries, Assistant Secretaries, and General Counsels of other departments. (At present, under section 303(c) of the Federal Executive Salary Act of 1964, Under Secretaries receive \$28,500 per annum, and under section 303(d) of that act, Assistant Secretaries and General Counsels receive \$27,000 per annum.)

Section 4(b) provides that there shall be in the Department an Assistant Secretary for Administration who would be appointed by the Secretary with the approval of the President. The Assistant Secretary would receive the same compensation as is provided by law for Assistant Secretaries for administration of executive departments (\$26,000 per annum). He would perform the functions, powers, and duties prescribed by the Secretary.

TRANSFERS TO DEPARTMENT

Section 5(a) transfers to the Secretary all the functions, powers and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public

Housing Administration, and the functions, powers, and duties of the heads and other officers and offices of those agencies.

Section 5(b) transfers the Federal National Mortgage Association, together with its functions, powers, and duties, to the Department. The Secretary of the Department would be vested with the functions, powers, and duties of the Housing and Home Finance Administrator with regard to FNMA. The Secretary would therefore become the Chairman of the Board of Directors of FNMA. FNMA would be an entity within the Department, and the rights and interests of the owners of outstanding common stock issued under the FNMA Charter Act would not be affected by the transfer.

Section 5(b) would also repeal language in section 308 of the FNMA Charter Act (12 U.S.C. 1723), which was superseded by a subsequent provision in the Federal Executive Salary Act of 1964. Section 308 provided that the President of FNMA received compensation at the rate established for the heads of the constituents of the Housing and Home Finance Agency. The Federal Executive Salary Act of 1964 listed the salary for the President of FNMA separately. Under the provisions of section 5(b) of the bill the separate listing in the Salary Act would be repealed, and the President of FNMA would be one of the six positions provided in section 7(c) of the bill with compensation at the annual rate applicable to level V of the Federal Executive Salary Schedule provided by the Executive Salary Act of 1964 (\$26,000).

CONFORMING AMENDMENTS

Section 6(a) would amend section 19(d) (1) of title 3 of the United States Code to place both the Secretary of Health, Education, and Welfare, and the Secretary of Housing and Urban Development in the line of succession to the Office of the President of the United States. They would be eligible to act as President only if the Vice President, Speaker of the House, President pro tempore of the Senate, and the heads of other executive departments having precedence over them by law are unable to serve as President.

Sections 6(b) and 6(c) are technical provisions which would extend to the new Department the provisions of title IV of the Revised Statutes, except to the extent inconsistent with the bill. Those provisions deal with such matters as departmental vacancies, regulations, duties of clerks, details and employment of personnel, oaths, subpoenas and witness fees.

ADMINISTRATIVE PROVISIONS

Section 7(a) provides that all the personnel, liabilities, and resources, including funds, property, and records available in connection with the functions transferred by section 5 to the Department, are transferred with the respective functions.

Section 7(b) provides that no transfers of functions may be made within the Department with respect to the secondary market operations of the Federal National Mortgage Association unless the Secretary finds such transfers would not adversely affect the rights and interests of the owners of FNMA common stock.

Section 7(c) would authorize the Secretary to appoint and fix the compensation of Department personnel and prescribe their duties. The law applicable to the Federal civil service would apply to employees of the Department. The Secretary further would be authorized to fix the compensation for not more than six positions at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the 1964 Executive Salary Act (\$26,000).

Section 7(d) permits the Secretary to dele-

gate any of his functions to such officers and employees of the Department as he may designate and to authorize successive redelegations of functions he has delegated. The Secretary is also authorized to prescribe necessary rules and regulations. This subsection repeals a portion of section 101(c) of the Housing Act of 1949, as amended, (42 U.S.C. 1451(c)), so that the Secretary could delegate or redelegate authority to (1) approve the workable program of a locality for dealing with its overall problems of slum and blight, (2) certify that Federal assistance to urban renewal work enumerated under section 101(c) may be made available to a community, and (3) determine that the relocation requirements of section 105(c) of the Housing Act of 1949 have been met.

Section 7(e) authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed \$100 per diem for individuals.

Section 7(f) authorizes the Secretary to establish a working capital fund, similar to those in other departments, for operating various common administrative services in the Department such as supply, messenger, mail, telephone, space, library, and reproduction services. The revolving fund would be financed through appropriations, and charges against the agencies and offices in the Department for which services are performed.

Section 7(g) directs the Secretary to have a Department seal made and provides for judicial notice of the seal.

ANNUAL REPORT

Section 8 requires the Secretary to make an annual report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

Section 9(a) would provide that no cause or action by or against any agency or officer whose functions are transferred by the bill would abate by reason of the new act, and that such causes of action could be asserted by or against the United States or any appropriate official of the new Department.

Section 9(b) provides that any pending litigation or other proceeding by or against any agency or officer whose functions are transferred by the bill would not abate by reason of the new act, and also provides for appropriate substitution of successor parties.

Section 9(c) provides that, except as expressly provided in the bill, all powers and authorities otherwise existing would not be affected by the bill. All rules, regulations, and orders issued under applicable law prior to the effective date of the bill would continue in effect unless modified or rescinded by the Secretary or other legally authorized officer or office of the Department. References in other Federal laws to the Housing and Home Finance Agency, or to any officers, office, or agency therein, except the FNMA and its officers, would be deemed to mean the Secretary. This subsection also provides that the positions and agencies (HHFA, FHA, and PHA, and their heads and officers) transferred under section 5(a) of the bill would lapse.

SEPARABILITY

Section 10 provides a standard separability clause.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

Section 11(a) provides that the act would take effect 60 days from the date of its approval, or on such earlier date as the President may specify. However, in the interim, and any time after approval of the act, the President could nominate and the Senate could confirm the Department's officers.

The Assistant Secretary for Administration could also be appointed during the interim period by the Secretary with the approval of the President. Such officers would not enter on duty until the act takes effect generally.

Section 11(b) makes provision for designation by the President of interim officers, as may be necessary, for a 60-day period immediately after the effective date of the act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAMILTON (at the request of Mr. ALBERT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. POWELL (at the request of Mr. ALBERT), for 60 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. MORSE (at the request of Mr. CLEVELAND), for 30 minutes, on March 24, 1965; and to revise and extend his remarks and include extraneous material.

Mr. ASHBROOK (at the request of Mr. CLEVELAND), for 10 minutes, today; and to revise and extend his remarks and include extraneous material.

Mr. PATMAN on Tuesday, March 30, for 60 minutes; and to revise and extend his remarks and include extraneous matter.

Mr. PATMAN on Thursday, April 1, for 60 minutes; and to revise and extend his remarks and include extraneous matter.

Mr. KASTENMEIER, on Wednesday next, March 31, for 30 minutes.

Mr. REUSS (at the request of Mr. BOGGS), for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks, was granted to:

Mr. POOL and to include extraneous matter.

Mr. BOW, his remarks today on the District of Columbia appropriation bill and to include extraneous matter.

Mr. KEOGH, notwithstanding the fact it exceeds the limit and is estimated by the Public Printer to cost \$343.

Mr. WHITE of Idaho in five instances and to include extraneous matter.

(The following Members (at the request of Mr. CLEVELAND) and to include extraneous matter:)

Mr. GROVER.

Mr. HUTCHINSON.

Mr. RUMSFELD.

Mr. MOORE in three instances.

Mr. FINO.

Mr. CURTIS.

Mr. KING of New York in four instances.

Mr. LANGEN.

S. 1599

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1965

Mr. RIBICOFF (for himself, Mr. BREWSTER, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. GRUENING, Mr. HART, Mr. JAVITS, Mr. KENNEDY of New York, Mr. LONG of Missouri, Mr. MUSKIE, Mr. PELL, Mr. TYDINGS, and Mr. WILLIAMS of New Jersey) introduced the following bill; which was read twice and referred to the Committee on Government Operations

A BILL

To establish a Department of Housing and Urban Development,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Housing
4 and Urban Development Act".

5 DECLARATION OF PURPOSE

6 SEC. 2. The Congress hereby declares that the general
7 welfare and security of the Nation and the health and living
8 standards of our people require, as a matter of national pur-
9 pose, sound development of the Nation's urban communities
10 and metropolitan areas in which the vast majority of its peo-
11 ple live and work.

1 To carry out such purpose, and in recognition of the in-
2 creasing importance of housing and urban development in
3 our national life, the Congress finds that establishment of an
4 executive department is desirable to achieve the best admin-
5 istration of the principal programs of the Federal Govern-
6 ment which provide assistance for housing and for the devel-
7 opment of the Nation's communities; to assist the President
8 in achieving maximum coordination of the various Federal
9 activities which have a major effect upon urban, suburban, or
10 metropolitan development; to encourage the solution of prob-
11 lems of housing and urban development through State,
12 county, town, village, or other local and private action, in-
13 cluding promotion of interstate, regional, and metropolitan
14 cooperation; and to provide for full and appropriate consid-
15 eration, at the national level, of the needs and interests of
16 the Nation's communities and of the people who live and
17 work in them.

18 ESTABLISHMENT OF DEPARTMENT

19 SEC. 3. (a) There is hereby established at the seat of
20 government an executive department to be known as the
21 Department of Housing and Urban Development (herein-
22 after referred to as the "Department"). There shall be at
23 the head of the Department a Secretary of Housing and
24 Urban Development (hereinafter referred to as the "Secre-
25 tary"), who shall be appointed by the President by and with

1 the advice and consent of the Senate. The Department shall
2 be administered under the supervision and direction of the
3 Secretary. The Secretary shall receive compensation at the
4 rate now or hereafter prescribed by law for the heads of
5 executive departments.

6 (b) The Secretary shall, among his responsibilities,
7 advise the President with respect to Federal programs and
8 activities relating to housing and urban development; de-
9 velop and recommend to the President policies for fostering
10 the orderly growth and development of the Nation's urban
11 areas; exercise leadership at the direction of the President
12 in coordinating Federal activities affecting housing and urban
13 development; provide technical assistance and information
14 including a clearinghouse service to aid State, county, town,
15 village, or other local governments in developing solutions
16 to urban and metropolitan development problems; encourage
17 comprehensive planning by the State and local governments
18 with a view to coordinating Federal, State, and local urban
19 development activities, and conduct continuing comprehen-
20 sive studies, and make available findings, with respect to the
21 problems of housing and urban development.

22 (c) Nothing in this Act shall be construed to deny or
23 limit the benefits of any program, function, or activity
24 assigned to the Department by this or any other Act to any

1 community on the basis of its population or corporate status,
2 except as may be expressly provided by law.

3 UNDER SECRETARY AND OTHER OFFICERS

4 SEC. 4. (a) There shall be in the Department an Under
5 Secretary, four Assistant Secretaries, and a General Counsel,
6 who shall be appointed by the President by and with the
7 advice and consent of the Senate, who shall receive compen-
8 sation at the rate now or hereafter provided by law for under
9 secretaries, assistant secretaries, and general counsels, respec-
10 tively, of executive departments, and who shall perform
11 such functions, powers, and duties as the Secretary shall
12 prescribe from time to time.

13 (b) There shall be in the Department an Assistant Sec-
14 retary for Administration, who shall be appointed, with the
15 approval of the President, by the Secretary under the classi-
16 fied civil service, who shall perform such functions, powers,
17 and duties as the Secretary shall prescribe from time to time,
18 and whose annual rate of compensation shall be the same
19 as that now or hereafter provided by or pursuant to law for
20 assistant secretaries for administration of executive depart-
21 ments.

22 TRANSFERS TO DEPARTMENT

23 SEC. 5. (a) Except as otherwise provided in subsection
24 (b) of this section, there are hereby transferred to and
25 vested in the Secretary all of the functions, powers, and duties

1 of the Housing and Home Finance Agency, of the Federal
2 Housing Administration and the Public Housing Administra-
3 tion in that Agency, and of the heads and other officers and
4 offices of said agencies.

5 (b) The Federal National Mortgage Association, to-
6 gether with its functions, powers, and duties, is hereby trans-
7 ferred to the Department. The next to the last sentence of
8 section 308 of the Federal National Mortgage Association
9 Charter Act and the item numbered (94) of section 303 (e)
10 of the Federal Executive Salary Act of 1964 are hereby re-
11 pealed, and the position of the President of said Association
12 is hereby allocated among the positions referred to in section
13 7 (c) hereof.

14 CONFORMING AMENDMENTS

15 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United
16 States Code is hereby amended by striking out the period at
17 the end thereof and inserting a comma and the following:
18 "Secretary of Health, Education, and Welfare, Secretary of
19 Housing and Urban Development."

20 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
21 is amended by adding at the end thereof:

22 "Eleventh. The Department of Housing and Urban De-
23 velopment."

24 (c) The amendment made by subsection (b) of this

1 section shall not be construed to make applicable to the
2 Department any provision of law inconsistent with this Act.

3 ADMINISTRATIVE PROVISIONS

4 SEC. 7. (a) The personnel employed in connection with,
5 and the assets, liabilities, contracts, property, records, and
6 unexpended balances of appropriations, authorizations, allo-
7 cations, or other funds held, used, arising from, or available
8 or to be made available in connection with, the functions,
9 powers, and duties transferred by section 5 of this Act are
10 hereby transferred with such functions, powers, and duties,
11 respectively.

12 (b) No transfer of functions, powers, and duties shall
13 at any time be made within the Department in connection
14 with the secondary market operations of the Federal Na-
15 tional Mortgage Association unless the Secretary finds that
16 the rights and interests of owners of outstanding common
17 stock issued under the Federal National Mortgage Associa-
18 tion Charter Act will not be adversely affected thereby.

19 (c) The Secretary is authorized, subject to the civil
20 service and classification laws, to select, appoint, employ,
21 and fix the compensation of such officers and employees,
22 including attorneys, as shall be necessary to carry out the
23 provisions of this Act and to prescribe their authority and
24 duties: *Provided*, That any other provision of law to the
25 contrary notwithstanding, the Secretary may fix the com-

1 pensation for not more than six positions in the Department
2 at the annual rate applicable to positions in level V of the
3 Federal Executive Salary Schedule provided by the Federal
4 Executive Salary Act of 1964.

5 (d) The Secretary may delegate any of his functions,
6 powers, and duties to such officers and employees of the
7 Department as he may designate, may authorize such suc-
8 cessive redelegations of such functions, powers, and duties
9 as he may deem desirable, and may make such rules and
10 regulations as may be necessary to carry out his functions,
11 powers, and duties. The second proviso of section 101 (c)
12 of the Housing Act of 1949 is hereby repealed.

13 (e) The Secretary may obtain services as authorized by
14 section 15 of the Act of August 2, 1946, at rates not to
15 exceed \$100 per diem for individuals.

16 (f) The Secretary is authorized to establish a working
17 capital fund, to be available without fiscal year limitation,
18 for expenses necessary for the maintenance and operation of
19 such common administrative services as he shall find to be
20 desirable in the interest of economy and efficiency in the
21 Department, including such services as a central supply
22 service for stationery and other supplies and equipment for
23 which adequate stocks may be maintained to meet in whole
24 or in part the requirements of the Department and its agen-
25 cies; central messenger, mail, telephone, and other com-

1 munications services; office space; central services for docu-
2 ment reproduction and for graphics and visual aids; and a
3 central library service. In addition to amounts appropriated
4 to provide capital for said fund, which appropriations are
5 hereby authorized, the fund shall be capitalized by transfer
6 to it of such stocks of supplies and equipment on hand or on
7 order as the Secretary shall direct. Such fund shall be
8 reimbursed from available funds of agencies and offices in
9 the Department for which services are performed at rates
10 which will return in full all expenses of operation, including
11 reserves for accrued annual leave and for depreciation of
12 equipment.

13 (g) The Secretary shall cause a seal of office to be made
14 for the Department of such device as he shall approve, and
15 judicial notice shall be taken of such seal.

16 ANNUAL REPORT

17 SEC. 8. The Secretary shall, as soon as practicable after
18 the end of each calendar year, make a report to the Presi-
19 dent for submission to the Congress on the activities of the
20 Department during the preceding calendar year.

21 SAVINGS PROVISIONS

22 SEC. 9. (a) No cause of action by or against any agency
23 whose functions are transferred by this Act, or by or against
24 any officer of any such agency in his official capacity,
25 shall abate by reason of this enactment. Such causes of

1 action may be asserted by or against the United States or
2 such official of the Department as may be appropriate.

3 (b) No suit, action, or other proceeding commenced
4 by or against any agency whose functions are transferred
5 by this Act, or by or against any officer of any such agency
6 in his official capacity, shall abate by reason of the enact-
7 ment of this Act. A court may at any time during the
8 pendency of the litigation, on its own motion or that of any
9 party, order that the same may be maintained by or against
10 the United States or such official of the Department as
11 may be appropriate.

12 (c) Except as may be otherwise expressly provided in
13 this Act, all powers and authorities conferred by this Act
14 shall be cumulative and additional to and not in derogation
15 of any powers and authorities otherwise existing. All rules,
16 regulations, orders, authorizations, delegations, or other ac-
17 tions duly issued, made, or taken by or pursuant to ap-
18 plicable law, prior to the effective date of this Act, by any
19 agency, officer, or office pertaining to any functions, powers,
20 and duties transferred by this Act shall continue in full force
21 and effect after the effective date of this Act until modified
22 or rescinded by the Secretary or such other officer or office
23 of the Department as, in accordance with applicable law,
24 may be appropriate. With respect to any function, power,
25 or duty transferred by or under this Act and exercised

1 hereafter, reference in another Federal law to the Housing
2 and Home Finance Agency or to any officer, office, or
3 agency therein, except the Federal National Mortgage Asso-
4 ciation and its officers, shall be deemed to mean the Secre-
5 tary. The positions and agencies heretofore established by
6 law in connection with the functions, powers, and duties
7 transferred under section 5 (a) of this Act shall lapse.

8 SEPARABILITY

9 SEC. 10. Notwithstanding any other evidence of the in-
10 tent of Congress, it is hereby declared to be the intent of
11 Congress that if any provision of this Act, or the application
12 thereof to any persons or circumstances, shall be adjudged by
13 any court of competent jurisdiction to be invalid, such judg-
14 ment shall not affect, impair, or invalidate the remainder of
15 this Act or its application to other persons and circumstances,
16 but shall be confined in its operation to the provision of this
17 Act, or the application thereof to the persons and circum-
18 stances, directly involved in the controversy in which such
19 judgment shall have been rendered.

20 EFFECTIVE DATE AND INTERIM APPOINTMENTS

21 SEC. 11. (a) The provisions of this Act shall take effect
22 upon the expiration of the first period of sixty calendar days
23 following the date on which this Act is approved by the
24 President, or on such earlier date as the President shall spec-
25 ify by Executive order published in the Federal Register,

1 except that any of the officers provided for in sections 3 (a) ,
2 4 (a) , and 4 (b) of this Act may be nominated and ap-
3 pointed, as provided in such sections, at any time after the
4 date this Act is approved by the President.

5 (b) In the event that one or more officers required by
6 this Act to be appointed by and with the advice and consent
7 of the Senate shall not have entered upon office on the effec-
8 tive date of this Act, the President may designate any person
9 who was an officer of the Housing and Home Finance
10 Agency immediately prior to said effective date to act in
11 such office until the office is filled as provided in this Act or
12 until the expiration of the first period of sixty days following
13 said effective date, whichever shall first occur. While so act-
14 ing such persons shall receive compensation at the rates pro-
15 vided by this Act for the respective offices in which they act.

A BILL

To establish a Department of Housing and Urban Development, and for other purposes.

By Mr. RIBICOFF, Mr. BREWSTER, Mr. CLARK,
Mr. DODD, Mr. DOUGLAS, Mr. GRUENING, Mr.
HART, Mr. JAVITS, Mr. KENNEDY of New
York, Mr. LONG of Missouri, Mr. MUSKIE,
Mr. PELL, Mr. TYDINGS, and Mr. WILLIAMS
of New Jersey

MARCH 25, 1965

Read twice and referred to the Committee on
Government Operations

(See the remarks of Mr. TOWER when he introduced the above bills, which appear under separate headings.)

S. 1617. A bill to provide for a temporary moratorium on payments under FHA-insured and VA-guaranteed mortgages for mortgagors who are unemployed as the result of the closing of a Federal installation, and for other purposes; and

S. 1618. A bill to provide for the acquisition of certain housing owned by servicemen at or near Federal bases or installations which have been, or are being, closed in whole or in part to the Committee on Banking and Currency.

(See the remarks of Mr. TOWER when he introduced the above bills, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 1619. A bill to permit members and former members of the Armed Forces retired on or after October 1, 1963, for physical disabilities incurred as a direct result of armed conflict to have their retirement pay recomputed whenever the rates of basic pay applicable to the grade in which they retired are increased; to the Committee on Armed Services.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON:

S. 1620. A bill to consolidate the two judicial districts of the State of South Carolina into a single judicial district and to make suitable transitional provisions with respect thereto; to the Committee on the Judiciary.

(See the remarks of Mr. JOHNSTON when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1621. A bill to amend section 202(b) of the Federal Power Act with respect to the interconnection of electric facilities; and

S. 1622. A bill to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. MAGNUSON (for himself and Mrs. NEUBERGER) (by request):

S. 1623. A bill to amend the Act of August 1, 1958, relating to a continuing study by the Secretary of the Interior of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife for the purpose of preventing losses to this resource; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. METCALF:

S. 1624. A bill to amend the Small Business Act to provide that the program under which Government contracts are set aside for small-business concerns shall not apply in the case of contracts for maintenance, repair, or construction; to the Committee on Banking and Currency.

S. 1625. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in certain activities for the purpose of influencing legislation directly relevant to the purposes which qualify such organizations for tax exemption, without losing certain benefits under that Code; to the Committee on Finance.

(See the remarks of Mr. METCALF when he introduced the above bills, which appear under separate headings.)

By Mr. METCALF (for himself and Mr. MILLER):

S. 1626. A bill to limit the authority of the Veterans' Administration and the Bureau of the Budget with respect to new construc-

tion or alteration of veterans' hospitals and the closing of such hospitals; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. METCALF when he introduced the above bill, which appear under a separate heading.)

By Mr. DOMINICK:

S. 1627. A bill for the relief of David R. Boylan; to the Committee on the Judiciary.

S. 1628. A bill to amend the Tariff Act of 1930 and the Act of February 13, 1911, to eliminate those provisions which require payment to the United States for overtime services of customs officers and employees; to the Committee on Finance.

(See the remarks of Mr. DOMINICK when he introduced the above bill, which appear under a separate heading.)

By Mr. MUSKIE (by request):

S. 1629. A bill designating the birthday of President John Fitzgerald Kennedy as a legal holiday; to the Committee on the Judiciary.

By Mr. CLARK:

S. 1630. A bill to provide for specific employment policies in order to promote maximum employment, to reduce unemployment to its minimum acceptable levels, to promote an adequate rate of economic growth, and to preserve reasonable price stability; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 1631. A bill to direct the Secretary of the Interior to convey certain lands in Clark County, Nev., to Francis W. Thorne; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. TYDINGS:

S. 1632. A bill to require the registration of pistols in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. TYDINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S. 1633. A bill to amend title 23 of the United States Code, relating to highways, in order to authorize a program to improve safety on the Federal-aid primary, secondary, and urban systems of highways; to the Committee on Public Works.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE (for himself, Mr. SCOTT, Mr. RANDOLPH, Mr. MOSS, Mr. LAUSCHE, and Mr. DOMINICK):

S. 1634. A bill to prohibit the introduction into interstate commerce of any shipping container manufactured in the United States from imported steel unless the container is marked so as to indicate the country of origin of the steel; to the Committee on Commerce.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself, Mr. BENNETT, Mr. BYRD of Virginia, Mr. CURTIS, Mr. DOMINICK, Mr. FANNIN, Mr. HICKENLOPER, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. MILLER, Mr. MORTON, Mr. PROUTY, Mr. SALTONSTALL, Mr. SCOTT, Mr. SIMPSON, Mr. THURMOND, and Mr. WILLIAMS of Delaware):

S. 1635. A bill to require annual approval by the Congress of aggregate amounts of expenditure authorizations contained in general appropriation acts; to the Committee on Government Operations.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S.J. Res. 66. Joint resolution to provide for the designation of the period from August 31, through September 6, in 1965 as National American Legion Baseball Week; to the Committee on the Judiciary.

(See the remarks of Mr. MUNDT when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. HOLLAND:

S.J. Res. 67. Joint resolution to establish a national flower of the United States; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

PROMOTION OF PEACE AND SECURITY IN SOUTHEASTERN ASIA AND THE PACIFIC

Mr. JAVITS (for himself and Mr. INOUYE) submitted a concurrent resolution (S. Con. Res. 29) to promote peace and security in southeast Asia and the Pacific, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

HONOR OF VICTORY OVER POLIOMYELITIS

Mr. HILL submitted the following concurrent resolution (S. Con. Res. 30); which was referred to the Committee on Labor and Public Welfare:

Whereas April 12, 1965, is the tenth anniversary of one of the most significant medical achievements of our time, Doctor Jonas Salk's development of a successful vaccine against poliomyelitis; and

Whereas in the ten years since the introduction of the Salk vaccine, there has been a 99 per centum reduction in the number of cases of polio in the United States; and

Whereas this dread disease which once attacked as many as fifty-seven thousand Americans in a single year and made the summer months a time of fear and apprehension for parents across the Nation, has now been eliminated as a public health problem; and

Whereas this great medical victory was won through a unique partnership between the American people and medical scientists like Doctor Salk, under the auspices of the National Foundation-March of Dimes, and with the outstanding cooperation of the United States Public Health Service; and

Whereas a leading example of how this partnership is continuing and expanding is the Salk Institute for Biological Studies in La Jolla, California; and

Whereas this institute was conceived as a research center where scientists of international reputation could come and map out the high strategy of man's fight for health; and

Whereas Doctor Salk and his colleagues from all over the world are now at work on projects aimed at discovering the basic concept of life itself; and

Whereas from this research can flow the specific methods to control disease and to promote the health and better understanding of man and his full potential: Now be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That Doctor Jonas Salk and the National Foundation-March of Dimes be congratulated on this tenth anniversary of the announcement of the world's first effective vaccine against

polio, and our confidence be expressed that the work of the National Foundation-March of Dimes—specifically its fight against birth defects—and of the Salk Institute for Biological Studies will bring about the blessings of better health for our society and all its citizens.

RESOLUTIONS

STUDY OF RECREATION IN THE LAKE TEXOMA AREA

Mr. TOWER submitted a resolution (S. Res. 91) calling for a study of recreation in the Lake Texoma area, which was referred to the Committee on Public Works.

(See the above resolution printed in full when submitted by Mr. TOWER, which appears under a separate heading.)

PRINTING OF ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "FRAUDS AND DECEPTIONS AFFECTING THE ELDERLY, INVESTIGATIONS, FINDINGS, AND RECOMMENDATIONS, 1964"

Mr. SMATHERS submitted the following resolution (S. Res. 92) to permit reprint of Committee on Aging's Report entitled "Frauds and Deceptions Affecting the Elderly, Investigations, Findings, and Recommendations, 1964," which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Special Committee on Aging six thousand additional copies of its committee print of the Eighty-ninth Congress, first session, entitled "Frauds and Deceptions Affecting the Elderly, Investigations, Findings and Recommendations: 1964," a report by the Subcommittee on Frauds and Misrepresentations Affecting the Elderly.

EXPRESSION OF SENSE OF SENATE ON BRIEFING OF SENATORS GENERALLY CONCERNING SITUATION IN VIETNAM

Mr. COOPER submitted a resolution (S. Res. 93) to express sense of Senate on briefing of Senators generally concerning situation in Vietnam, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. COOPER, which appears under a separate heading.)

NAN B. TWIFORD

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 94) to pay a gratuity to Nan B. Twiford, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN of North Carolina, which appears under the heading "Reports of Committees.")

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. RIBICOFF. Mr. President, for myself and the Senator from Maryland

[Mr. BREWSTER], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from New York [Mr. JAVITS], the Senator from New York [Mr. KENNEDY], the Senator from Missouri [Mr. LONG], the Senator from Maryland [Mr. TYDINGS], and the Senator from New Jersey [Mr. WILLIAMS], I introduce, for appropriate reference, the bill to establish a Department of Housing and Urban Development submitted to the Senate today by President Johnson. This is the administration's bill the President called for in his message on cities "to give greater force and effectiveness to our effort in the cities."

I ask unanimous consent that the bill remain at the desk for the remainder of this week in order that Senators who wish to do so might join as cosponsors. I also ask unanimous consent that the bill together with a section-by-section summary of it be printed in the RECORD at the end of my remarks.

In addition, I ask unanimous consent to insert in the RECORD after the summary of the bill a report prepared at my request by James R. King of the Library of Congress Legislative Reference Service entitled "Congressional Action Related to the Proposed Establishment of an Executive Department, Office, or Commission to Deal With Problems of Urban Areas."

The PRESIDING OFFICER (Mr. BASS in the chair). The bill will be received and appropriately referred. Without objection, the bill will be printed in the RECORD; and the requests of the Senator from Connecticut are granted.

The bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes, introduced by Mr. RIBICOFF, was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. RIBICOFF. Mr. President, long ago it was said that "barbarians build their houses separate, but civilized men together." Through the course of modern history the city has indeed become the focal point, not only of our society here in America, but throughout modern Western civilization as well.

Ours is an urban society. Already the great majority of Americans live in cities and their suburbs. By the year 2000 over four-fifths of our 350 million people will live in large, metropolitan groupings. Already the bulk of our Nation's wealth is created day by day in our urban areas. The health of our society hinges on the well-being and progress of our cities and suburbs and the people who live in them.

But our cities and suburbs are in trouble. The costs of local services are rising at an alarming rate. Local taxes this year are running about 140 percent higher than just 15 years ago. They are continuing to rise, and the same is true of State taxes. The burden on local governments to meet the need for more services grows heavier day after day, week after week, month after month. And there is no end in sight to the need for more schools, more highways, more hospitals, more sewerage and water facil-

ities, and more and better programs to house our urban population and improve our communities.

No more complex and pressing problem faces us than the problem of how to help our local communities, large and small, to meet their urgent needs today and prepare to meet even greater burdens which loom on the horizon.

That is what this bill is all about. We should create an executive department to represent the urban population, their cities and suburban communities at the Cabinet table so the problems of an urbanized America are considered at the proper level of government. The existing Agency—the Housing and Home Finance Agency—was created 18 years ago to coordinate two programs—the mortgage insurance program of the Federal Housing Administration and the program of Federal aid to local communities to provide public housing for low-income families.

Since then a vast range of entirely new programs has been given to the Agency to administer. Congress has recognized the problems of urbanization and made provision for the solution of many of them. But it has up to now ignored the question of the proper administration of some 40 Federal programs for community development that are now available to our urban areas. It is now time for us to take the reasonable and logical step of creating a Department that can—with far more efficiency, economy and authority—administer to the complexity that is our urbanized Nation.

We must keep in mind, as the President has reminded us, that our urbanization is not defined in terms of numbers alone. We are talking about more than geography and numbers; we are talking about a way of life—and the social facts are as important and more so than the numerical definitions. These urban ways of living will be the subject of utmost concern to the new department being proposed today.

We must try, through this new Agency, to focus on what President Johnson has described as the core of the urban problem—the quality of the lives of the people living in our urban areas.

We are not dealing with the problems of the city dweller alone but the problems of American society itself. During the 10 years that this proposition has been before Congress—this decade of deliberation—a new generation of slum children has reached school age. The pollution of water supplies and 350,000 tons of smog a day still threaten our very health and safety. Clogged city streets and inadequate transportation facilities still plague the downtown shopper and commuter. Roadside slum towns, junkyards and neon nightmares disgrace us and even raise some question of how civilized we really are in comparison to the barbarian who built his house separate.

This new department will not be able to answer all the questions or solve all the problems that are associated with urbanization, but it can offer a start. It can become home base for the "enormous growth of interest and knowledge and intellectual ferment" that the President asked to be continued and expanded

"as we painfully struggle to identify the ills, the dangers, and the cures for the American city."

Mr. President, there has been talk enough. Now is the time for action. I consider passage of this bill to be minimum recognition by Congress of the long and difficult path that our citizens have been treading, sometimes quite alone, toward a high quality of urban life. They need our attention; they need our help; and as servants of the public interest we can do no less than meet the needs of the 135 million Americans who happen to live in urban America.

Mr. President, I wish to announce that hearings on S. 1599 and other related bills will be held in room 1318 of the New Senate Office Building on March 31 and April 1 beginning at 10 a.m. The leadoff witness will be Director of the Bureau of the Budget, Kermit Gordon. Groups and individuals who wish to be heard should contact Mr. Jerome Sonosky, staff director of the Subcommittee on Executive Reorganization, room 162, Senate Office Building, extension 2308.

The bill (S. 1599), summary, and report, presented by Mr. RIBICOFF, are as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development; to encourage the solution of problems of housing and urban development through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities, and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive re-delegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such

device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any person or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed by and

with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

SECTION-BY-SECTION SUMMARY OF A BILL TO ESTABLISH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SHORT TITLE

Section 1 provides that the act would be cited as the "Department of Housing and Urban Development Act."

DECLARATION OF PURPOSE

Section 2 sets forth the purpose of the bill and that the Congress finds that establishment of an executive department is desirable to carry out the purpose.

Congress would declare that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out the purpose, Congress would find that establishment of an executive department is desirable to (1) achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; (2) assist the President in achieving maximum coordination of Federal activities which have a major effect upon urban, suburban, or metropolitan development; (3) encourage the solution of problems of housing and urban development through State, county, town, village, or other local and private action (including promotion of interstate, regional, and metropolitan cooperation); and (4) provide for full consideration, at the national level, of the needs and interests of the Nation's communities and their people.

ESTABLISHMENT OF DEPARTMENT—RESPONSIBILITIES OF THE SECRETARY

Section 3(a) establishes the Department of Housing and Urban Development and provides that it would be headed by a Secretary of Housing and Urban Development, who would be appointed by the President with Senate confirmation.

The Department would be administered under the supervision and direction of the Secretary. The Secretary would receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. (At present, under sec. 303(a) of the Federal Executive Salary Act of 1964, the secretaries of departments receive \$35,000 per annum.)

Section 3(b) directs the Secretary, among his other responsibilities, to advise the President with respect to Federal programs and activities relating to housing and urban development; to develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the discretion of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information (including a clearinghouse service) to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and local urban development activi-

ties; and to conduct continuing studies of housing and urban development problems.

Section 3(c) provides that nothing in the bill shall be construed to deny or limit the benefits of any program, function, or activity to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

Section 4(a) provides that there shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, all of whom would be appointed by the President and confirmed by the Senate. These officers would perform the functions, powers, and duties prescribed by the Secretary. They would receive the same compensation as the under secretaries, assistant secretaries, and general counsels of other departments. (At present, under sec. 303(c) of the Federal Executive Salary Act of 1964, under secretaries receive \$28,500 per annum, and under sec. 303(d) of that act, assistant secretaries and general counsels receive \$27,000 per annum.)

Section 4(b) provides that there shall be in the Department an Assistant Secretary for Administration who would be appointed by the Secretary with the approval of the President. The Assistant Secretary would receive the same compensation as is provided by law for assistant secretaries for administration of executive departments (\$26,000 per annum). He would perform the functions, powers, and duties prescribed by the Secretary.

TRANSFERS TO DEPARTMENT

Section 5(a) transfers to the Secretary all the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration, and the functions, powers, and duties of the heads and other officers and offices of those agencies.

Section 5(b) transfers the Federal National Mortgage Association, together with its functions, powers, and duties, to the Department. The Secretary of the Department would be vested with the functions, powers, and duties of the Housing and Home Finance Administrator with regard to FNMA. The Secretary would therefore become the Chairman of the Board of Directors of FNMA. FNMA would be an entity within the Department, and the rights and interests of the owners of outstanding common stock issued under the FNMA Charter Act would not be affected by the transfer.

Section 5(b) would also repeal language in section 308 of the FNMA Charter Act (12 U.S.C. 1723), which was superseded by a subsequent provision in the Federal Executive Salary Act of 1964. Section 308 provided that the President of FNMA received compensation at the rate established for the heads of the constituents of the Housing and Home Finance Agency. The Federal Executive Salary Act of 1964 listed the salary for the President of FNMA separately. Under the provisions of section 5(b) of the bill the separate listing in the Salary Act would be repealed, and the President of FNMA would be one of the six positions provided in section 7(c) of the bill with compensation at the annual rate applicable to level V of the Federal executive salary schedule provided by the Executive Salary Act of 1964 (\$26,000).

CONFORMING AMENDMENTS

Section 6(a) would amend section 19(d) (1) of title 3 of the United States Code to place both the Secretary of Health, Education, and Welfare, and the Secretary of Housing and Urban Development in the line of succession to the office of the President of the United States. They would be eligible to act as President only if the Vice President, Speaker of the House, President pro tempore of the Senate, and the heads of other executive departments having precedence over

them by law are unable to serve as President.

Sections 6(b) and 6(c) are technical provisions which would extend to the new Department the provisions of title IV of the Revised Statutes, except to the extent inconsistent with the bill. Those provisions deal with such matters as departmental vacancies, regulations, duties of clerks, details and employment of personnel, oaths, subpoenas, and witness fees.

ADMINISTRATIVE PROVISIONS

Section 7(a) provides that all the personnel, liabilities, and resources, including funds, property, and records available in connection with the functions transferred by section 5 to the Department, are transferred with the respective functions.

Section 7(b) provides that no transfers of functions may be made within the Department with respect to the secondary market operations of the Federal National Mortgage Association unless the Secretary finds such transfers would not adversely affect the rights and interests of the owners of FNMA common stock.

Section 7(c) would authorize the Secretary to appoint and fix the compensation of Department personnel and prescribe their duties. The law applicable to the Federal civil service would apply to employees of the Department. The Secretary further would be authorized to fix the compensation for not more than six positions at the annual rate applicable to positions in level V of the Federal executive salary schedule provided by the 1964 Executive Salary Act (\$26,000).

Section 7(d) permits the Secretary to delegate any of his functions to such officers and employees of the Department as he may designate and to authorize successive re-delegations of functions he has delegated. The Secretary is also authorized to prescribe necessary rules and regulations. This subsection repeals a portion of section 101(c) of the Housing Act of 1949, as amended (42 U.S.C. 1451(c)), so that the Secretary could delegate or redelegate authority to (1) approve the workable program of a locality for dealing with its overall problems of slum and blight, (2) certify that Federal assistance to urban renewal work enumerated under section 101(c) may be made available to a community, and (3) determine that the relocation requirements of section 105(c) of the Housing Act of 1949 have been met.

Section 7(e) authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed \$100 per diem for individuals.

Section 7(f) authorizes the Secretary to establish a working capital fund, similar to those in other departments, for operating various common administrative services in the Department such as supply, messenger, mail, telephone, space, library, and reproduction services. The revolving fund would be financed through appropriations, and charges against the agencies and offices in the Department for which services are performed.

Section 7(g) directs the Secretary to have a Department seal made and provides for judicial notice of the seal.

ANNUAL REPORT

Section 8 requires the Secretary to make an annual report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

Section 9(a) would provide that no cause of action by or against any agency or officer whose functions are transferred by the bill would abate by reason of the new act, and that such causes of action could be asserted by or against the United States or any appropriate official of the new Department.

Section 9(b) provides that any pending litigation or other proceeding by or against

any agency or officer whose functions are transferred by the bill would not abate by reason of the new act, and also provides for appropriate substitution of successor parties.

Section 9(c) provides that, except as expressly provided in the bill, all powers and authorities otherwise existing would not be affected by the bill. All rules, regulations, and orders issued under applicable law prior to the effective date of the bill would continue in effect unless modified or rescinded by the Secretary or other legally authorized officer or office of the Department. References in other Federal laws to the Housing and Home Finance Agency, or to any officers, office, or agency therein, except the FNMA and its officers, would be deemed to mean the Secretary. This subsection also provides that the positions and agencies (HHFA, FHA, and PHA, and their heads and officers) transferred under section 5(a) of the bill would lapse.

SEPARABILITY

Section 10 provides a standard separability clause.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

Section 11(a) provides that the act would take effect 60 days from the date of its approval, or on such earlier date as the President may specify. However, in the interim, and any time after approval of the act, the President could nominate and the Senate could confirm the Department's officers. The Assistant Secretary for Administration could also be appointed during the interim period by the Secretary with the approval of the President. Such officers would not enter on duty until the act takes effect generally.

Section 11(b) makes provision for designation by the President of interim officers, as may be necessary, for a 60-day period immediately after the effective date of the act.

CONGRESSIONAL ACTION RELATED TO THE PROPOSED ESTABLISHMENT OF AN EXECUTIVE DEPARTMENT, OFFICE OR COMMISSION TO DEAL WITH PROBLEMS OF URBAN AREAS

(By James R. King, economic analyst in Regional Development and Housing, Economics Division, February 26, 1965)

INTRODUCTION

It has long been recognized that the growth of urban areas in the United States has presented a major problem at local, State and National levels. Prior to the turn of the century less than one-half the population lived in urban areas; today 70 percent are classified as urban.

Moreover, there are now 50 urban places in the United States with a population of more than 250,000 each as compared to 15 in 1900. These 50 urban places house 40 million people rather than the 11 million that resided in cities of this size in 1900.

Towns with populations of between 25,000 and 50,000 at the turn of the century numbered only 82 and supported only 2.8 million citizens; today 14.8 million Americans live in 429 places of this size.

Small places of 2,500 to 5,000 have increased from 832 in 1900 to 2,140 in 1960 and presently account for a population of 7.5 million as compared to 2.9 million at the beginning of this century.

Urbanization has spared no size community its thrust. All have suffered under the strain of an increasing need for public facilities to accommodate the influx of population, usually in the face of a seeming inability on the part of local governments to provide a broad enough tax base to support such an increase.

State governments, it is charged, have shown little interest in assisting local communities in their effort to provide public improvements in their jurisdictions. Therefore, the Federal Government has been petitioned to play an increasing role in the provision of funds and services to local communities.

These developments have led, since 1954, to a growing interest on the part of some Members of Congress and other interest groups and individuals in the establishment of some type of executive department, office, or commission to deal specifically with problems of urban areas.

This report constitutes a chronological outline of the legislation, hearings and Presidential messages that have gone to make up the body of congressional activity concerning this concept. Two appendices have been included at the end of the discussion: (1) a complete list of all bills related to the creation of a department, office, or commission on urban affairs, and (2) a brief bibliography including all references cited in this report.

This report is based in part on three prior Legislative Reference Service reports; Hilda M. James, "History of Congressional and Related Activities Concerned With the Establishment of a Department of Urban Affairs, 1961"; Erin M. Woodall, "A Federal Department of Urban Affairs and Housing: Summary and Selected Statements Pro and Con, 1962"; and Richard S. Greene, "Legislation Proposing a Department of Urban Affairs, 1963."

EVENTS PRIOR TO 1954

Connery and Leach, in their 1960 publication, "The Federal Government and Metropolitan Areas," indicate that interest in creating a Department of Municipalities dates back to at least 1912. In that year Philip Kates suggested such a Department as primarily a study group to investigate all aspects of urban living and make their findings available to local authorities.

Kates' proposal, which appeared in *American City*,¹ interested Woodrow Wilson who replied in a letter printed in the same publication to the effect that he would like to discuss the proposal with Kates.

Nothing developed, however, and Connery and Leach cite a 1919 proposal by Harlean James for a Department of Civic Economy as the next major effort to create a Department to deal with urban affairs. As with the Kates' idea, James' Department would primarily conduct studies and experiments making its findings available to city and hamlet alike.

James' proposal suffered the same fate as that of Kates. The New Deal era brought the next significant development with the advocacy of a "voice for the cities" by Charles E. Merriam of the National Resources Board in 1934. Merriam, at that time, did not spell out his proposal as to form, but by 1942 he was committed to a separate administrative agency in Washington to care for the interests of the growing urban population.

After the end of the war, according to Connery and Leach (p. 168), Nathaniel S. Keith proposed in an unpublished manuscript, a Department of Community Development which in his words would "give the needed structure to the Federal interest in this field and provide Cabinet-level policy coordination for all Federal activities with an impact on community developmental problems."

Although further research might uncover other examples, and perhaps some variation in proposals, the analysis by Connery and Leach serves to point up the trend in thought. Apparently the increase in Federal aid to local communities has shifted the emphasis on the need for a department from a study or information agency, as suggested by Kates and James, to a body representing the urban population, as suggested by Merriam, and finally to Keith's proposal which emphasized coordination of Federal activities.

¹ Philip Kates, "A National Department of Municipalities, *American City*," January 1912. p. 405-407.

At the same time, the various proposals that have been submitted to Congress since 1954 usually reflect some combination of all three concepts. The need for continued study of urban problems, representation of the growing urban population, and coordination of Federal assistance to local communities are included, with varying degrees of emphasis, in most arguments for creation of an arm of the President to deal with urban problems.

CONGRESSIONAL ACTION 1954-61

Beginning with the 83d Congress, proposals for the establishment of a Department of Urbiculture or a Department of Urban Affairs have been submitted to each Congress. As already noted, the major purposes of these proposals have been (1) to study urban problems and make the information obtained available to local communities, (2) to give the urban population representation at the Cabinet level equal to that offered the rural population by the Department of Agriculture, and (3) to achieve some degree of coordination in Federal activities and programs related to urban affairs.

Mr. J. ARTHUR YOUNGER, a Representative from California, introduced the first proposal for the establishment of a Department of Urbiculture in 1954 (H.R. 100032, 83d Cong.) No action was taken on this bill. During 1955, however, hearings were held by the House Committee on Government Operations on a similar bill submitted by Representative YOUNGER (H.R. 1864, 84th Cong.)

H.R. 1864 was primarily educational in purpose and sought as its analogy the work of the county agent of the Department of Agriculture. The purpose of the act was stated as follows:

"SEC. 2. The Congress finds that many of the most pressing problems facing the people of the United States grow out of the lack of knowledge and understanding of proper techniques in utilization of urban land; and that there is a corresponding national interest in the development of the science of urbiculture. Recognizing the invaluable contribution made by the Department of Agriculture in promoting increasingly efficient use of farmlands, the Congress enacts this act in order to provide a corresponding executive department to develop methods of dealing with pressing social, economic, and civic problems growing out of inadequate knowledge of the principles of using and developing urban lands, and to make these methods available to the people of the United States through suitable educational programs."²

The act would have created a Secretary of Urbiculture and transferred to him the functions of the Housing and Home Finance Administrator, the Federal Housing Commissioner, and the Public Housing Commissioner. In addition, the act would have transferred the Home Loan Bank Board, the Federal National Mortgage Association, and the National Housing Council to the new department.³

The hearings attracted little interest with only seven witnesses, including Representative YOUNGER, appearing to testify. Letters were received from five other sources.

Acceptance of the concept of a Department of Urbiculture was uniform throughout the hearings, but, friendly criticism developed over the scope of the proposal.

Albert B. Cole, Administrator of the Housing and Home Finance Agency, testified that his agency, while receptive to the idea implicit in the bill was forced to oppose its passage because of the lack of clarification as to what areas of Federal activity the proposed Department would actually cover. Mr. Cole said: "So, what I am saying is this: We

really are in favor of this committee examining this program. We think it is very important. Frankly, we look with favor upon the idea if the Congress and the executive branch can develop a plan which would be acceptable. We think it is growing in importance to such an extent that we can no longer ignore the need for the Federal Government to bring together in a coordinated program all of the programs which the Federal Government has upon urban living. Therefore, while we do not approve the enactment of this present bill, we are highly complimentary and very much interested in this approach, and would like to work with you to develop ideas which I have just barely touched upon this morning—a 'bare bones' approach, so to speak."⁴

Testimony from Percy Rappaport, Assistant Director of the Bureau of the Budget, disclosed an attitude similar to that of the Housing and Home Finance Agency. Mr. Rappaport stated that, although his Bureau opposed the Younger bill:

"In taking such a position, the Bureau is in no sense opposed to the general objectives of the bill as we understand them. From my reading of the bill, it is my impression that the purpose is to create an executive department of the Government which, with respect to those people who live in cities and towns, would have the same enormously helpful role that the Department of Agriculture has had in relation to the farmers of this Nation.

"In drawing such a parallel, however, as the bill does in section 2, the result is to prescribe a role for the proposed Department of Urbiculture which would be far too limited and restricted. Section 2 provides only for a department which would undertake research in the development of methods for dealing with urban land problems and which could make these methods available to the people only through suitable educational programs.

"In contrast, the Housing and Home Finance Agency—whose functions would be transferred to the new department—is already engaged in action programs of a wide variety and scope. These programs affect the home-finance institutions, the home-building industry, the States and the cities and the individual renter or home purchaser. In other words, the present activities of the Government, which under the provisions of section 4(b) of the proposed bill would be transferred to the new department, have already gone far beyond the types of programs outlined in section 2 of the bill.

"It is for these reasons that the Bureau of the Budget believes that H.R. 1864 does not provide a suitable basis for considering the establishment of an 11th executive department."⁵

Both Cole and Rappaport, in answer to direct questions, stated that they felt the bill to be too restrictive.⁶

Representatives of the National Housing Conference, American Institute of Planners, American Municipal Association, and the National Association of Housing and Redevelopment Officials either gave testimony or sent letters in support of H.R. 1864. Each indicated that its support was primarily for the concept of creating a Department to deal with urban problems and little testimony dealing specifically with the Younger bill was given by these associations. All made some reference to expanding the scope of the proposal but there was no clear consensus as to what the scope should be.

H.R. 1864 was not reported, but it did represent the beginning of a long line of legislative proposals of a similar nature which extends to the present time.

During the 2d session of the 84th Congress, two bills were introduced proposing

the creation of a Department of Housing and Urban Affairs (S. 3159, Mr. Lehman; and H.R. 10295, Mr. Davidson). These bills died in the Committee on Government Operations.

The same fate was sustained by H.R. 1019, introduced by Mr. YOUNGER during the 1st session of the 85th Congress and S. 2159, introduced by Mr. CLARK (for himself and others), during the same session. No proposals for a Federal Department were made during the 2d session of the 85th Congress, but Mr. Ostertag introduced a bill proposing a temporary commission on metropolitan problems.

Hearings were again held in 1959 when 11 bills were introduced to establish some kind of executive body responsible for the development and coordination of urban programs.

H.R. 781 (GRIFFITHS); H.R. 2423 (Rains); and H.R. 4481 (Addonizio) sought to establish a Department of Urban Affairs. Representative YOUNGER continued to propose a Department of Urbiculture (H.R. 984) and gained the support of Senator Keating (S. 2397), and Representative BENNETT of Florida (H.R. 9259), for this approach.

Representative Ostertag again introduced a bill to create a Commission on Metropolitan Problems (H.R. 2416). This time four other measures were introduced to the same effect: S. 1431 (CLARK); H.R. 7282 (Bentley); H.R. 7378 (Granahan); and H.R. 7465 (FASCELL).

All House bills were given a hearing before a subcommittee of the House Committee on Government Operations, June and July of 1959, with the exception of H.R. 9259 which was introduced after the hearings were held. Interest centered primarily on the creation of a Commission on Metropolitan Problems and H.R. 7465 (FASCELL) was favorably reported with amendments August 18, 1959.

The two Senate bills received a hearing by the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations of the Senate and the Clark proposal (S. 1431) to create a Commission on Metropolitan Problems was reported September 2, 1959. As in the House, attention during the Senate hearings was primarily directed at the Commission proposal with the Department concept receiving less attention.

Although the House and Senate version of the bill to create a new Commission on Metropolitan Problems differed in several structural aspects, the basic purpose and function of the proposed Commission was the same in each. The following excerpts from the Senate and House Reports respectively point out some of the similarities and differences:

"PURPOSE

"S. 1431, introduced by Senator CLARK, would establish a temporary bipartisan Commission composed of 18 members to make a 'full and complete investigation and study of Federal policies and programs relating to the needs and problems of the Nation's metropolitan areas' for the purpose of determining—

"1. The present and prospective needs of the Nation's metropolitan areas;

"2. The capabilities of the different levels of government to meet such needs;

"3. The extent to which the Federal Government is assisting metropolitan areas in meeting such needs;

"4. Means for improving the coordination of Federal, State, and local policies and programs.

"Six members of the Commission would be appointed by the President of the Senate from the Senate, six would be appointed by the Speaker of the House from the House of Representatives (four from the majority and two from the minority in each case), and six would be appointed by the President of the United States, including the heads of two agencies of the executive branch, two Gov-

² U.S. Congress, House, Committee on Government Operations, "Creation of a Department of Urbiculture," hearings, 84th Cong., 1st sess., p. 1.

³ Ibid. p. 2.

⁴ Ibid. p. 21.

⁵ Ibid. p. 25.

⁶ Ibid. p. 22, 25.

ernors (one from each party), and two mayors (one from each party). The Commission would submit its final report, including recommendations, to the President and to the Congress on or before February 1, 1961, and cease to exist 6 months after submission of its report.⁷

"PURPOSE

"The purpose of H.R. 7465, as amended, is to establish a Commission on Metropolitan Problems and Urban Development which shall study and investigate the problems of municipalities and metropolitan expansion, with special reference to the need, in terms of adequate governmental structures, to establish sound revenue policies as related to State and National revenue policies, and to determine the services which such governmental structures should provide.

"It shall also study existing and developing efforts to cope with municipal and metropolitan problems including Federal policies and programs and any need for improved coordination thereof. It shall formulate findings and recommendations 'as to necessary and desirable steps to be initiated at the National, State, and local levels, to insure sound and orderly metropolitan growth within the framework of our traditional patterns of responsibility and control.' The Commission will be composed of 15 members to be appointed by the President and shall submit its findings and recommendations to the President for transmittal to Congress within 18 months. The Commission will be authorized to hold hearings, will be given the power of subpoena, and may request information from departments and agencies of the executive branch of the Government."⁸

The House did not act on H.R. 7465, but the Senate passed S. 1431 with amendments on September 10, 1959. No action was taken in the House, however, and the measure died.

During this same period of time a related bill was being considered by Congress. In its minority views on H.R. 7465, several members of the House Committee on Government Operations had expressed the opinion that the urban problems being considered were intergovernmental in nature and should fall under the administration of the proposed Advisory Commission on Intergovernmental Relations which would be set up by H.R. 6904. This bill had been reported favorably by the House Committee on Government Operations, and was passed by the House on August 17, 1959.

The minority reasoned that—

"If the undersigned have misinterpreted the purport of H.R. 7465 and if the problems of municipalities and metropolitan expansion contemplated here are intragovernmental rather than intergovernmental, then the bill would have the Federal Government intrude in areas of local and State jurisdiction and encourage further dependence on the Central Government.

"The undersigned are basically opposed to expansion of Federal authority and activities, especially with reference to those functions which should and can be performed by the States and municipalities. But we believe the Federal Government can and should be of assistance from the perspective of its proper role in Federal-local relationships. For that reason, we favored H.R. 6904 and believe Federal advice and assistance can and should be provided with respect to metropolitan

problems through the Commission that bill creates.

"Creating two commissions simultaneously, with duplicating and overlapping functions, will not only be costly and confusing but may well lead either to divergent views and incompatible conclusions or to delay and inactivity because of the necessity of coordination and consultation to avoid conflict.

"In any event, the undersigned cannot espouse both a Commission on Intergovernmental Relations as contemplated by H.R. 6904 and a Commission on Metropolitan Problems and Urban Development as contemplated by H.R. 7465.

"CLARE E. HOFFMAN.

"R. WALTER RIEHLMAN.

"GEORGE MEADER.

"CLARENCE J. BROWN.

"FLORENCE P. DWYER.

"JOE HOLT.

"ROBERT P. GRIFFIN.

"GEORGE M. WALLHAUSER.

"JESSICA MCC. WEIS.

"ODIN LANGEN.

"ROBERT R. BARRY."⁹

H.R. 6904 fared better than either the House or Senate measure to create a Commission on Metropolitan Problems and after joint committee hearings was reported (July 31, 1959), went to conference, and was signed as Public Law 380 on September 24, 1959. The creation of a Commission on Intergovernmental Relations evidently put a damper on subsequent initiative for this approach to metropolitan problems. A Commission on Metropolitan Problems has not been legislatively proposed since 1959. On the other hand either a department or office has been proposed in every subsequent session.

During the 2d session of the 86th Congress, three bills H.R. 11918 (LINDSAY); H.R. 12508 (HALPERN); and H.R. 13024 (Santangelo) were introduced in support of a Department of Urban Affairs, but no action followed. Another measure, S. 3292 (CLARK and others) would have established a Department of Housing and Metropolitan Affairs. This bill was referred to the Senate Banking and Currency Committee where hearings were held by the Subcommittee on Housing as part of its regular hearings on housing legislation in 1960. Moreover, S. 3292 was reported favorably by the committee on June 16, 1960.

In commenting on the growing support for such a Department, the committee noted that: "Twenty-two years ago, the President's Committee on Administrative Management called attention to the needs of urban communities and urged the Bureau of the Budget to assume future responsibilities in this area. In 1942, Charles E. Merriam called for a Department of Urbanism within the Federal Government during a conference on this subject at Harvard University. Eight years ago, the National Housing Conference recommended to Congress the establishment of a Department of Housing and Urban Development. In subsequent years, this recommendation has been supported by the American Municipal Association, representing more than 12,000 cities in the United States, the U.S. Conference of Mayors, representing more than 315 cities in the United States, the AFL-CIO, the National Association of Home Builders, the National Association of Housing & Redevelopment Officials, and the Society of Planning Officials."¹⁰

Opposition to such a Department, however, was also evident in the 1960 hearings.

Both the Bureau of the Budget and the Housing and Home Finance Agency submitted opinions opposing S. 3292. The Bureau of the Budget objected on grounds that

the newly created Commission on Intergovernmental Relations and other previously existing Federal agencies were already engaged in the study of metropolitan problems and coordination of Federal programs to assist urban areas. In addition, the Bureau objected to the lack of specified functions that the new Department would perform.¹¹

The Housing and Home Finance Agency, on the other hand, concurred in the idea that a Department should be established, but opposed S. 3292 on other grounds. The Administrator, in a letter to the committee chairman stated as follows: "The objections, which I see in S. 3292, relate only to the timing and the method of approach."¹² The Administrator felt that the subject of creating a new Department was a long-term proposition which could be dealt with at any time. Furthermore, he insisted that the proper method of creating a new Department was by Presidential reorganization as authorized under the Reorganization Act of 1949.¹³

Opposition to the proposed Department was also recorded in the statements of the National Association of Real Estate Boards,¹⁴ and the United States Chamber of Commerce.¹⁵ Both organizations felt that the creation of such a Department would tend to institutionalize Federal aid to local communities.

S. 3292 was passed over on June 18, 1960 and June 28, 1960 and died on the calendar.

The period 1954-61 was thus, one of evolution from the original introduction of the concept of a Department of Urbiculture to study metropolitan problems to the more specific function of coordination of Federal assistance programs implicit in S. 3292. The study function, although still considered to be very much a part of the function of the proposed Department, was, at least temporarily, sidetracked by the creation of the Advisory Commission on Intergovernmental Relations in 1959.

By the beginning of 1961, hearings on the subject of metropolitan problems had been held twice in the Senate (1959 and 1960), and twice in the House (1954 and 1959). No bill was reported out of the 1954 hearings, but the 1959 hearings produced two favorably reported measures (H.R. 7465 and S. 1431) to create a Commission on Metropolitan Problems, and following the 1960 hearings, the Senate committee reported favorably on a bill to create a Department of Housing and Metropolitan Affairs (S. 3292). None, however, were acted on in both Houses and only S. 1431 came to a vote in either House.

CONGRESSIONAL ACTION, 1961-62

On January 30, 1961, the administration started an intensive campaign for a Department of Housing and Urban Affairs that carried over into 1962. In his state of the Union address on that day, President Kennedy said: "Our national household is cluttered with unfinished and neglected tasks. Our cities are being engulfed in squalor. Twelve long years after Congress declared our goal to be a decent home and a suitable environment for every American family, we still have 25 million Americans living in substandard homes. A new housing program under a new Housing and Urban Affairs Department will be needed this year."

On March 9, 1961, President Kennedy again called for such a Department. In his housing message of that date the President said:

"Urban and suburban areas now contain the overwhelming majority of our population, and a preponderance of our industrial,

⁷ U.S. Congress, Senate, Committee on Government Operations, "Providing for the Establishment of a Commission on Metropolitan Problems," S. Rept. 881, 86th Cong., 1st sess., p. 1.

⁸ U.S. Congress, House, Committee on Government Operations, "Establishing a Commission on Metropolitan Problems and Urban Development," H. Rept. 940, 86th Cong., 1st sess., p. 4.

⁹ Ibid. p. 21, 22.

¹⁰ U.S. Congress, Senate, Committee on Banking and Currency, "Department of Housing and Metropolitan Affairs," S. Rept. 1607, 86th Cong., 2d sess., p. 5.

¹¹ U.S. Congress, Housing legislation of 1960, hearings, 86th Cong., 2d sess., p. 73.

¹² Ibid. p. 70.

¹³ Ibid.

¹⁴ Ibid. p. 328.

¹⁵ Ibid. p. 1029.

commercial, and educational resources. The programs outlined above, as well as existing housing and community development programs, deserve the best possible administrative efficiency, stature, and role in the councils of the Federal Government. An awareness of these problems and programs should be constantly brought to the Cabinet table, and coordinated leadership provided for functions related to urban affairs but appropriately performed by a variety of departments and agencies.

"I therefore recommend—and shall shortly offer a suggested proposal for—the establishment in the executive branch of a new, Cabinet-rank Department of Housing and Urban Affairs."

This request was formalized on April 18, 1961, when President Kennedy sent Congress draft legislation to carry out his recommendations. H.R. 6433 (FASCELL), and S. 1633 (CLARK) were introduced as the administration bills.

By this time, however, 13 other Members had introduced similar bills and 2 more bills were introduced on April 20. This made a total of 17 measures to create some kind of Department of Urban Affairs, Department of Urbiculture, or Department of Urban Affairs and Housing introduced in the 1st session of the 87th Congress.

Though differing in title, all the bills introduced in the 1st session sought to establish a Cabinet-level Department to deal with the problems of urban areas.

Hearings were held on H.R. 6433 in late May and early June of 1961 by a subcommittee of the Committee on Government Operations of the House,¹⁰ and S. 1633, along with S. 289 (Keating), S. 375 (HARTKE), S. 609 (Bush), were considered in late June of the same year by the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations of the Senate.¹⁷

Although differing materially in their wording and content, all four bills considered in the Senate and the one House measure taken up, had in common the creation of a new Department headed by a Secretary, and all bills visualized the Housing and Home Finance Agency as the nucleus of the new Department, with the possible exception of the Keating proposal, which left the transfer of existing agencies entirely to the discretion of the President.

In varying degrees of emphasis, all five bills listed the functions of the new Department as the study of housing and development problems, policy recommendation to the President, technical assistance, and coordination of Federal activities.

During the hearings many former friends of the proposed Department joined new friends in advocating its creation.

Leading organizations supporting the proposals for a new Department of Urban Affairs in 1961 included: The American Municipal Association; the U.S. Conference of Mayors; Americans for Democratic Action; American Institute of Planners; American Veterans' Committee; National Housing Conference; National Association of Housing and Redevelopment Officials; AFL-CIO; National Urban League; American Institute of Architects; Florida League of Municipalities; Alabama League of Municipalities; National Association of Mutual Savings Banks.

The basic premise of the proposals for the establishment of this Department was to coordinate and expedite planning and ac-

tivity under the existing Housing and Home Finance Agency which now cover a wide range of diverse but closely interrelated activities. These programs include among others: insurance of mortgages and loans on new and existing housing; financial assistance for low-income housing; financial aids to communities for comprehensive local planning, slum clearance, and renewal of urban areas; advances and loans for the planning and construction of needed public facilities; loans to meet increasing needs for college and university housing; and financial aid for critical mass transportation problems in urban areas. The proponents of the new Department argued that it would help pool our national resources for urban research, planning, and programs and thereby facilitate the solution of vital urban problems. The advocates of the creation of a Department of Urban Affairs and Housing also asserted that the increase in the size, scope, complexity, and national significance of urban problems which accompanied the transformation of our Nation from a rural society to a predominantly urban one warrants the creation of a Federal Department of equal rank with the Department of Agriculture, which deals primarily with rural problems.

Along with both new and old friends, testimony was heard by several old and new opponents to the creation of a new Cabinet level department to deal with urban problems.

Those opposed to an urban affairs and housing department expressed the view that the creation of such an executive department presupposed a permanent and expanding Federal role in housing and urban renewal and gives the status which distorts the proper role of the Federal Government in this area. In their opinion, addition of another Federal department would tend to undermine historic Federal, State, and local relationships by opening up a direct avenue of approach for the extension of Federal financial assistance to municipal officials which will bypass the States.

The opponents also pointed out that the new department could not achieve its stated goal of coordinating all Federal activities in the field of housing and urban affairs since the proposed department would not include the Federal Home Loan Bank System and the housing program of the Veterans' Administration, which together account for over half of the financial support of private housing in the United States.

Statements in opposition to the proposals for a Department of Housing and Urban Affairs also pointed out that many of the pressing problems of urban areas, such as airport and highway construction, are not peculiar to urban areas, making it impossible to coordinate all the Federal activities related to urban areas in a Federal Department of Urban Affairs and Housing.

Major organized opposition to a Department of Urban Affairs and Housing came from the following organizations: The National Association of Real Estate Boards; the U.S. Chamber of Commerce; The National Association of Manufacturers; The National Association of County Officials; Council of State Governments; The American Farm Bureau Federation; The National Association of Home Builders.

The Housing and Home Finance Agency did not testify at either the House or Senate hearings, but David E. Bell, then Director of the Bureau of the Budget, appeared at both hearings in favor of the new Department.

During the House hearings Bell stated the position of the Bureau of the Budget as follows: "Thus, an executive Department of Urban Affairs and Housing is clearly needed, first, to provide the most effective administrative framework for strengthening

coordination and providing effective leadership in urban development, and, second, to recognize the growing significance, magnitude, and permanence of current programs administered by the Housing and Home Finance Agency."¹⁸

Bell also emphasized that the new Department would consider the problems of small towns as well as large metropolitan areas. In response to a question regarding the large portion of his testimony devoted to small areas, Bell indicated that "in our judgment the smaller areas have a most important stake, essentially a larger stake than the bigger areas, the passage of a bill of this kind."¹⁹

On August 28, 1961 the House reported a clean bill (H.R. 8429),²⁰ and on September 6 the Senate reported an amended version of S. 1633²¹ identical to the clean bill reported in this House a few days before.

As reported, the two measures differed from the draft legislation sent to Congress by President Kennedy in two respects: (1) the FHA retained its independent status within the new Department and was not dissolved as originally requested, and (2) a language change was made to define an urban area as a city or township of any size, incorporated or unincorporated, thus insuring that the jurisdiction of the new Department would extend to small as well as large areas.

Minority reports were filed in both Houses with opposition centering on the suspended direct relationship that the Federal Government and large metropolitan areas were trying to establish on a permanent basis, largely bypassing State governments.

In commenting on S. 1663, the Senate minority stated that: "Enactment of this legislation will not encourage the initiative of States or of cities, but will violate the principles of the Federal system, usurp authority vested in State governments, crumble the walls of self-determination, demolish local leadership, and build ever higher the stronghold of Central Government."²²

On the House side, the minority report on H.R. 8429 stated the position that:

"If the State and local governments are to be done away with as vestigial remnants of an outmoded system, let it be stated clearly so that those concerned are aware of the real issue and not deluded with the housing camouflage. There is more involved here than conferring Cabinet status on the Administrator of the Housing and Home Finance Agency. The preservation of our Federal system of government is involved."²³

Additional minority opposition was based, among other things, on the unnecessary proliferation of departments of Cabinet rank, the lack of small town support, and the lack of administrative necessity since no new programs were proposed.

Neither the House bill or the Senate bill reached the floor in 1961. Both measures were carried over into the 2d session of the 87th Congress.

On January 24, 1962, the House Rules Committee refused to grant a rule for floor action on H.R. 8429. Six days later President Kennedy submitted to Congress Reor-

¹⁸ *Ibid.* p. 37.

¹⁹ *Ibid.* p. 51-52.

²⁰ U.S. Congress, House, Committee on Government Operations, "Establishing a Department of Urban Affairs and Other Purposes," H. Rept. 1053, 87th Cong., 1st sess.

²¹ U.S. Congress, Senate, Committee on Government Operations, "The Department of Urban Affairs," S. Rept. 879, 87th Cong., 1st sess.

²² *Ibid.* p. 25.

²³ U.S. Congress, House, Committee on Government Operations, "Establishing a Department of Urban Affairs and Other Purposes," H. Rept. 1053, 87th Cong., 1st sess.

¹⁰ U.S. Congress, House, Committee on Government Operations, "Department of Urban Affairs and Housing," hearings, 87th Cong., 1st sess.

¹⁷ U.S. Congress, Senate, Committee on Government Operations, "Establish a Department of Urban Affairs and Housing," hearings, 87th Cong., 1st sess.

ganization Plan No. 1 of 1962, creating a Cabinet-level Department of Urban Affairs and Housing.²⁴ The plan was submitted under the terms of the Reorganization Act of 1949, which authorized the President to submit to Congress plans to reorganize Government agencies through transfer, abolition or consolidation of agency functions.

Reorganization plans under the 1949 act take effect automatically within 60 days unless disapproved by a simple majority vote in either House and are not subject to amendment.

On the same day that the President's Reorganization Plan No. 1 was transmitted to Congress, House Resolution 530 (Meador) was introduced in the House and on January 31, S. Res. 288 (McGEE) was introduced in the Senate. Both resolutions disapproved the plan.

The House Committee on Government Operations held hearings on Reorganization Plan No. 1 of 1962, February 6-8 and the Senate Committee on Government Operations held hearings February 14-16. Major witnesses for and against the plan were virtually the same as those appearing before the respective House and Senate committees during the 1961 hearings. No major witness expressed a change of position from that taken the year before. Thus, arguments for and against the proposed Department also ran much the same as those of 1961.

On February 15, 1962, one week after the close of its hearings, the House Committee on Government Operations reported House Resolution 530 unfavorably, which meant that the majority of the committee favored the President's plan rather than the resolution of disapproval.

A minority report was filed opposing the plan (favoring H. Res. 530) on the grounds that "Reorganization Plan No. 1 is premature, unnecessary, will not accomplish what its proponents represent, and is contrary to sound principles of governmental organizations."²⁵

It was announced that House Resolution 530 would be considered in the House on February 21. This prompted the Senate leadership to ask for a discharge petition on Senate Resolution 288 which had not been reported in the Senate. On February 20, a motion to discharge the Senate Government Operations Committee from further consideration of Senate Resolution 288 was defeated on a 58 to 42 rollcall vote.

As anticipated, the House took up House Resolution 530 on February 21 and adopted it by a 264 to 150 rollcall vote. This vote put an end to consideration of Reorganization Plan No. 1 in the 87th Congress.

While the major activity in the second session of the 87th Congress centered on the President's reorganization proposal, individual Members continued to introduce legislation to effect a change in the Federal structure for dealing with metropolitan or urban problems.

Seven bills were introduced in 1962: five would have created an Office of Urban Affairs, one an Office of State and Urban Affairs, and one a Department of Federal-State-Urban Affairs. No action was taken on any of these proposals, but the idea of an office as opposed to a department represented a new approach, as did the proposal for a Department of Federal-State-Urban Affairs.

The proposed Office of Urban Affairs or Office of State and Urban Affairs would study urban problems, advise the President, and be

responsible for the coordination of Federal assistance programs.

The proposal for a Department of Federal-State-Urban Affairs in addition to placing formal consideration of the traditional intergovernmental relations both in its title and its statement of purpose, would transfer all functions of the Advisory Commission on Intergovernmental Relations to the new Department. Other transfers to the new Department are the ones included in former Department of Urban Affairs bills.

CONGRESSIONAL ACTIVITY SINCE 1962

President Kennedy made no mention of the Department of Urban Affairs in his state of the Union message at the outset of the 88th Congress in January 1963. No draft legislation was submitted, nor were any bills introduced in the name of the administration. The need for a new Department was mentioned, however, in the President's budget message of January 17, 1963.

Lack of executive initiative did not prevent continued congressional interest in such a Department from being expressed by individual Members, however.

Eight House bills were introduced in the 1st session of the 88th Congress: five for a Department of Urban Affairs, one for a Department of Urbiculture, one for an Office of State and Urban Affairs, and one for an Office of Community Affairs. No Senate measures were offered, and no hearings were held in the House.

President Johnson did not mention a new Cabinet post in his 1964 state of the Union message, but in his housing message of January 23, 1964, he included the following comments:

"If we are to deal successfully with the complex problems of our urban and suburban communities, we need governmental machinery designed for the 1960's, not the 1940's. The Housing and Home Finance Agency, established 17 years ago primarily to administer housing programs, has seen its responsibilities enlarged progressively by the Congress during the intervening years to include the broader aspects of community development as well. The Agency now administers such major community development programs as urban renewal, urban planning, public facilities planning and loans, open space, and mass transit. These basic changes in the Agency's current organization and status which remain much the same as they were in 1947. Action to convert the Housing and Home Finance Agency into an executive department is long overdue.

The size and breadth of the Federal programs now administered by the Housing and Home Finance Agency and the significance of those programs clearly merit departmental status. A new Secretary of Housing and Community Development would be in a position both to present effectively the Nation's housing and community development needs in the highest councils of Government and to direct, organize, and manage more efficiently the important and closely interrelated housing and community development programs now administered or proposed for the Housing and Home Finance Agency.

"I recommend that the Congress establish a Department of Housing and Community Development."²⁶

Two days later S. 2475 [CLARK] was introduced to carry out the President's request. On February 13, an identical bill, H.R. 9983 [REUSS], was introduced in the House. No further action was taken on these bills, but the concept of a Department of Housing and Community Development did receive some comment in the hearings on the Housing

Act of 1964 held by Banking and Currency Subcommittees in both Houses during February and March, 1964.²⁷

Thus far in 1965 President Johnson has placed great emphasis on the administration's intention to create a new Cabinet-level department. In his state of the Union message of January 4, the President cited his plans for the American city:

"An educated and healthy people require surroundings in harmony with their hopes.

"In our urban areas and central problem today is to protect and restore man's satisfaction in belonging to a community where he can find security and significance.

"The first step is to break old patterns—to begin to think, work, and plan for the development of entire metropolitan areas. We will take this step with new programs of help for basic community facilities and neighborhood centers of health and recreation.

"New and existing programs will be open to those cities which work together to develop unified long-range policies for metropolitan areas.

"We must also make important changes in our housing programs if we are to pursue these same basic goals.

"A Department of Housing and Urban Development will be needed to spearhead this effort in our cities."²⁸

The President again mentioned the need for such a Department in his budget message on January 25, and has promised to send draft legislation to Congress in the near future.

SUMMARY

There is no question that the problems of the urban areas in the United States are great and growing. There is also no question that the Federal Government has a responsibility to assist municipalities that seek its help. Past this broad ground of agreement there is little consensus as to what should be done or how it should be done.

As indicated in this report, Congress has been at work since 1953 attempting to define the proper procedure and scope of Federal activity in the area of urban affairs. It is no simple problem.

Difficulties in establishing Federal policy regarding local community assistance stem largely from ambiguities inherent in recent Federal relations with municipal government, from the question of jurisdiction within the executive branch of the Federal Government, and from the appropriate functions to be performed.

First there is the changing relationship of the Federal Government to the local communities in the context of our Federal system of government. Traditionally, intercourse within the system has been between the several States and the Central Government in Washington. In the past few decades, cities and towns, as well as large metropolitan areas have looked more and more to the Central Government in Washington for financial assistance. This has strained the traditional federalism we have long accepted as proper, by establishing a direct relationship between the Central Government and local municipalities, which are actually creations of the several State governments.

The growth of the Federal grant-in-aid program has established a de facto relationship where no de jure relationship has existed. Large Federal expenditures in local

²⁴ U.S. Congress, message from the President of the United States, "Reorganization Plan No. 1 of 1962."

²⁵ U.S. Congress, Committee on Government Operations, "Approving Reorganization Plan No. 1 of 1962," H. Rept. 1360, 87th Cong., 2d sess., p. 39.

²⁶ U.S. Congress, message from the President of the United States, drafts of bills relating to housing, 1964.

²⁷ U.S. Congress, Committee on Banking and Currency, housing, and community development legislation, 1964. Hearings, 88th Cong., 2d sess.; also, U.S. Congress, Senate, Committee on Banking and Currency, housing legislation, 1964. Hearings, 88th Cong., 2d sess.

²⁸ U.S. Congress, message of the President of the United States, state of the Union message, 1965., p. 8.

communities have in many cases by-passed the State governments entirely, creating a new kind of federalism which tends to exclude the State as a functional unit. This change in the structure of American federalism has been a source of strong opposition to the institutionalization of the new relationship through the creation of a Department of Urban Affairs.

Second, there remain wide areas of divergence of views as to the place of the new department, agency, or commission in the executive branch of the Government, the potential of overlapping or conflicting jurisdictions, and the additional authority it would give the President.

Finally, within the ranks of those who support the idea of a Department of Urban Affairs in general, there is no well-defined statement as to what the scope of the new Department should be—either geographically, i.e., What is an urban area?, or functionally, i.e., What Federal programs other than those of HHFA would be included later?

Federal activities in the area of local public works through the Area Redevelopment Administration and Accelerated Public Works programs raise additional questions as to whether these functions might not also be a part of the new Department. Both programs instituted since 1961 were not in existence at the time of last hearings on creating a new Department.

It would be well to note that the functions of the Area Redevelopment Administration were at one point (See Douglas-Payne bill, S. 3683) scheduled to be administered by the HHFA, and that the Community Facilities Administration, a constituent unit of HHFA, presently administers all ARA and APW Public Facility loans and grants—approximately 30 and 50 percent of the programs of ARA and APW respectively.

Moreover, the recently enacted anti-poverty program was not in existence at the time of the last hearing on the Department on Urban Affairs. This new program with its many aids for urban areas will have to be considered in relation to the creation of a new department.

Recent support by many Members of Congress for a regional approach to economic development adds still another dimension to the consideration of the new Department. No clear notion of what constitutes a region has yet appeared. If a region comes to mean a metropolitan area it must surely have a great deal to do with urban affairs, and, hence, may be a function of the new Department.

Therefore, regional functions, such as air and water pollution control, highway and airport development, and wildlife and recreational preservation can also be considered in connection with the proposed Department of Urban Affairs.

Conversely, there are those who oppose the creation of a new department precisely because it may become a broad-based Department of Urban Affairs rather than primarily a Department of Housing. The National Association of Home Builders and the National Association of Counties fall in this category.

Consideration of the hearings discussed in this report indicate that the evolution of the legislation introduced and considered by Congress shows a tendency to concentrate on the growing role of Federal grants-in-aid, with consideration shifting from primary study of urban problems to a coordination of Federal activities in urban areas.

The next round of hearings, which will probably be held during the 89th Congress will, no doubt, address the problems of scope, mentioned above, as well as the problems of federalism and grants-in-aid, which have been a part of the history of the development of the concept of a Department of Urban Affairs.

In closing, it appears fitting to record an

exchange between several members of the House Committee on Government Operations and Congressman YOUNGER during the 1955 hearings on the creation of a Department of Urbiculture—the first hearings to be held on this subject:

"Mr. YOUNGER. Thank you, Mr. Chairman.

"I want to express my personal appreciation to you and to the committee for scheduling a hearing on this bill. I want to state at the outset that I am not naive enough to believe that a bill of this character can be speedily passed in the Congress.

"Mr. BROWN. You mean you do not expect to have it enacted before we adjourn?

"Mr. YOUNGER. Not before we adjourn, Mr. BROWN.

"Mr. DAWSON. We will have the hearing and do it when we come back.

"Mr. YOUNGER. However, I am convinced that a bill of this type sometime will be passed, and a department as authorized by this bill will be created. It may be 8 or 10 years from now.

"Now, my only object is to start the counting of the time for the 8 or 10 years from now, rather than from 2 years from now or 4 years from now."

APPENDIX I

Legislation proposing a department, office, or commission to deal with urban problems: 1953-64

DEPARTMENT OF URBAN AFFAIRS (ACT)

Bill No.	Sponsor	Congress	Date of Introduction
H.R. 7731	Griffiths	84th	July 29, 1955
H.R. 3383	do	85th	Jan. 22, 1957
H.R. 5732	Rains	do	May 14, 1957
H.R. 781	Griffiths	86th	Jan. 7, 1959
H.R. 2423	Rains	do	Jan. 15, 1959
H.R. 4481	Addonizio	do	Feb. 16, 1959
H.R. 11918	Lindsay	do	Apr. 26, 1960
H.R. 12508	Halpern	do	June 2, 1960
H.R. 13024	Santangelo	do	Aug. 17, 1960
H.R. 301	Bennett of Florida	87th	Jan. 3, 1961
H.R. 350	Fascell	do	Do.
H.R. 557	Rodino	do	Do.
H.R. 962	Griffiths	do	Do.
H.R. 964	Halpern	do	Do.
H.R. 2042	Lindsay	do	Jan. 6, 1961
S. 289	Keating	do	Jan. 10, 1961
S. 375	Hartke	do	Jan. 11, 1961
H.R. 2389	Addonizio	do	Jan. 12, 1961
H.R. 5346	Farbstein	do	Mar. 8, 1961
H.R. 6065	Ryan of New York	do	Mar. 29, 1961
H.R. 1123	Rodino	88th	Jan. 9, 1963
H.R. 1640	Halpern	do	Jan. 10, 1963
H.R. 4067	Ryan of New York	do	Feb. 21, 1963
H.R. 5955	Patten	do	Apr. 30, 1963
H.R. 8942	Lindsay	do	Oct. 28, 1963

DEPARTMENT OF URBICULTURE

H.R. 10032	Younger	83d	July 23, 1954
H.R. 1864	do	84th	Jan. 10, 1955
H.R. 1019	do	85th	Jan. 3, 1957
H.R. 984	do	86th	Jan. 7, 1959
S. 2397	Keating	do	July 16, 1959
H.R. 9259	Bennett of Florida	do	Sept. 14, 1959
H.R. 1125	Younger	87th	Jan. 3, 1961
H.R. 434	do	88th	Jan. 9, 1963

DEPARTMENT OF FEDERAL-STATE-URBAN AFFAIRS

S. 2861	Boggs	87th	Feb. 19, 1962
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DEPARTMENT OF URBAN AFFAIRS AND HOUSING

H.R. 6433	Fascell	87th	Apr. 18, 1961
S. 1633	Clark, others	do	Do.
H.R. 6538	McDowell	do	Apr. 20, 1961
H.R. 6547	Toll	do	Do.
H.R. 8429	Fascell	do	Aug. 1, 1961

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

H.R. 9983	Reuss	88th	Feb. 13, 1964
S. 2475	Clark	do	Jan. 29, 1964

Legislation proposing a department, office, or commission to deal with urban problems: 1953-64—Continued

DEPARTMENT OF HOUSING AND METROPOLITAN AFFAIRS

Bill No.	Sponsor	Congress	Date of Introduction
S. 3292	Clark, others	86th	Mar. 29, 1960

DEPARTMENT OF HOUSING AND URBAN AFFAIRS

S. 3159	Lehman, others	84th	Feb. 8, 1956
H.R. 10295	Davidson	do	Mar. 29, 1956
S. 2159	Clark, others	85th	May 27, 1957
H.R. 12153	Rains	86th	May 10, 1960
H.R. 12161	Addonizio	do	May 11, 1960
S. 609	Bush	87th	Jan. 26, 1961

COMMISSION ON METROPOLITAN PROBLEMS

H.R. 2416	Ostertag	86th	Jan. 15, 1959
S. 1431	Clark	do	Mar. 16, 1959
H.R. 7282	Bentley	do	May 20, 1959
H.R. 7378	Granahan	do	May 26, 1959
H.R. 7465	Fascell	do	June 1, 1959

OFFICE OF URBAN AFFAIRS

H.R. 10302	Dwyer	87th	Feb. 20, 1962
H.R. 10393	Schweiker	do	Feb. 26, 1962
H.R. 10445	Fulton	do	Feb. 27, 1962
H.R. 11674	Scranton	do	May 9, 1962
S. 3516	Scott	do	July 6, 1962

OFFICE OF STATE AND URBAN AFFAIRS

H.R. 10301	Barry	87th	Feb. 20, 1962
H.R. 5162	do	88th	Mar. 28, 1963

OFFICE OF COMMUNITY AFFAIRS

H.R. 7509	Schweiker	88th	July 11, 1963
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APPENDIX II

PROPOSALS FOR A DEPARTMENT OF URBAN AFFAIRS: A BIBLIOGRAPHY OF BOOKS, ARTICLES, AND GOVERNMENT PUBLICATIONS¹

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RELIEF OF CERTAIN MEMBERS OF THE AMERICAN HULL INSURANCE SYNDICATE

Mr. DIRKSEN. Mr. President, I send to the desk for appropriate reference a bill, and in connection therewith a memorandum in support thereof.

I ask unanimous consent that the bill be printed in the RECORD along with the memorandum.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and memorandum will be printed in the RECORD.

The bill (S. 1600) for the relief of certain members of the American Hull Insurance Syndicate, introduced by Mr. DIRKSEN, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of clause (3) of subsection (c) of section 201 of title II of the War Claims Act of 1948, as amended, members of the American Hull Insurance Syndicate, incorporated in the United States, shall be deemed to be "American Nationals" as defined therein but only for the purposes of the said Act.

The memorandum presented by Mr. DIRKSEN is as follows:

MEMORANDUM IN SUPPORT OF A BILL TO PROVIDE FOR THE RELIEF OF CERTAIN MEMBERS OF THE AMERICAN HULL INSURANCE SYNDICATE

The 1962 amendment to the War Claims Act of 1948 (Public Law 87-846) made provision for recovery by the members of the American Hull Insurance Syndicate¹ of certain net losses on war risk insurance written during World War II. Unfortunately this amendment deals with many classes of claimants and the general nationality test prescribed by the amendment precludes recovery by certain Royal-Globe Insurance Co., incorporated in the United States (hereinafter called Royal-Globe Insurance Co.) though other members of the American Hull

¹ The American Hull Insurance Syndicate was formed pursuant to authorization found in section 29 of the Merchant Marine Act of 1920 (previously known as "American Marine Insurance Syndicates" and "American Marine Hull Insurance Syndicate") (U.S.C.A., sec. 885) for the purpose of providing an American market for marine insurance against loss or damage by fire and against marine risks and disasters of war and other risks. Since 1920 this syndicate has written the major share of insurance on ships owned by U.S. nationals.

Insurance Syndicate are authorized claimants. The annexed private bill is designed to cure this disability and this memorandum is intended to further document the necessity for its introduction.

At the outset of World War II, because of an uncertainty in the law, the U.S. Maritime Commission felt unable to provide insurance against risk of war loss to vessels transporting commodities basic to our war effort. As a stopgap measure the American Hull Insurance Syndicate agreed to write this insurance at stabilized premium rates until the Maritime Commission assumed responsibility, which occurred in April 1942. During the interim period approximately 1,300 ships were either damaged or sunk with a loss to the syndicate members of \$191 million. Payment of these losses had the effect of completely wiping out reserves built up by them over a period of more than 20 years.²

The Special War Claims Commission reported that in previous conflicts such as World War I, marine insurance companies were recognized as proper claimants by courts and commissions dealing with war claims. This recognition was based upon the fact that insurance is considered a contract of indemnity which adheres to the property insured and the insured suffers no loss to the extent that payments are made by the insurer who thus stands in the shoes of the insured to the extent that he is entitled to recovery. This right of subrogation has long been sanctioned and is implied in such contracts even in the absence of specific language spelling out the right. Despite the recommendations of the Commission that these traditional subrogation claims be validated, it required a long and sustained effort to secure their recognition in Public Law 87-846. Even so, a novel test was inserted which has the effect of denying the Royal-Globe Insurance Cos. any relief in contrast to their recoveries with respect to World War I losses of a similar nature.

This denial is the result of the nationality test contained in section 204 of the 1962 amendment which requires not only that the initial claimant be a fully qualified "national" (which is the traditional test in war claims) but also that the insurance company which paid such a loss also be a fully qualified "national." This "double derivative" test is new and was not contained in World War I legislation. It is submitted that if the general right of subrogation of the insurance companies is recognized, no valid distinction should be based upon a further test of the nationality of the insurer because its claim must fail in any case where the initial claim would fail for any reason, including failure to meet the nationality test. It is an artificial and unnecessary refinement to impose a new and independent nationality test on one whose rights are completely derivative in nature.

Royal-Globe Insurance Co. made no attempt to withdraw from their obligations nor were their resources rejected in meeting the emergency payment of losses. We respectfully submit that their claim for treatment as equals under the act should be recognized. For the foregoing reasons the private bill attached hereto should be enacted.

Respectfully submitted,

AMERICAN AND FOREIGN INSURANCE Co.,
GLOBE INDEMNITY Co.,
Successor to Star Insurance Co. of America,
NEWARK INSURANCE Co.,
QUEEN INSURANCE Co. OF AMERICA,
Members of Royal-Globe Insurance Co.

² See, Special War Claims Commission, Jan. 16, 1953, House Document No. 67, 83d Cong., 1st sess.

NEED FOR THE ESTABLISHMENT OF A NATIONAL CEMETERY IN THE STATE OF OHIO

Mr. LAUSCHE. Mr. President, in 1862, Congress passed a bill which President Abraham Lincoln signed into law which established the national cemetery system.

The law provided:

That the President of the United States shall have power, whenever in his opinion it shall be expedient, to purchase cemetery grounds, and cause them to be securely enclosed, to be used as a national cemetery for the soldiers who shall die in the service of the country.

This principle of providing a final resting place for our honored war dead has been carried on for over a hundred years as an expression of the people's gratitude.

We have been involved in two World Wars and numerous armed conflicts since the conclusion of the Civil War and it was apparent that the national cemetery system had to be continued and even expanded to fulfill a moral obligation to our servicemen.

There are 98 national cemeteries in the United States. However, viewed from today's needs the system is inadequate. It has been pointed out that the United States has not made a consistent effort to keep abreast of the growth of the veteran population.

A study has been conducted which showed that of the 72 national cemeteries now open, 15 will have to close by 1969 and another 12 in the following decade.

Also, the space available is so located as to favor certain veterans and to disfavor others due to an imbalance in the area location of the sites.

There is no national cemetery in Ohio and to use the words of my distinguished colleague, the Honorable FRANCES P. BOLTON:

If we are to fulfill our obligation in having space available for burial of our veterans in a location where their loved ones may visit their grave site, action must be taken to establish additional cemeteries.

Therefore, I send to the desk a bill which would authorize the Secretary of the Army to establish a national cemetery in Ohio.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1601) authorizing the Secretary of the Army to establish a national cemetery in Ohio, introduced by Mr. LAUSCHE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF FEDERAL AVIATION ACT OF 1958, TO PROVIDE AIR TRAFFIC CONTROL SERVICES

Mr. SMATHERS. Mr. President, I introduce for appropriate reference a bill to amend the Federal Aviation Act of 1958, for the purpose of enabling the Federal Aviation Agency to provide air traffic control services which will be adequate to meet the needs of civil aviation,

national defense, and safeguard traffic against the hazard of midair collision.

The proposed bill would provide that air traffic controllers who have accumulated 20 years of active control service in the field shall have the right to retire at the age 50, with the consent of the Administrator of the Federal Aviation Agency.

In principle it bears some resemblance to the 20-year retirement legislation which Congress has already provided for the agents of the Federal Bureau of Investigation and officers of the Foreign Service, Department of State.

The measure will not extend 20-year retirement to all of the employees of the Agency. Its benefits are limited to those employees who are involved in air safety and is intended to provide the early retirement opportunity to those controllers who have reached the age when they are no longer able to make the rapid and often split-second decisions separating aircraft which are necessary to prevent midair collisions. The existing Civil Service Retirement Act is inadequate for this purpose.

Until recently, the air traffic controller was called the forgotten man of civil aviation. The Secretary of Commerce in 1956 publicly described air traffic controllers as "unsung heroes of aviation."

The Senate Commerce Committee in favorably reporting what is now known as the Federal Aviation Act of 1958 had this to say with respect to air traffic controllers:

Your committee has been impressed with the vital role which these employees play in promoting air safety and in compensating for present technical deficiencies in our air navigation system. As a group, the skill, loyalty, and devotion to duty of the control tower and air route traffic control center personnel is scarcely excelled anywhere in the Government service. The burden placed on these men, especially in high density traffic areas often requires them to put in long, unbroken, nerve-wracking hours of service for which under present personnel regulations they cannot adequately be compensated.

The committee then goes on to say that there should be a study by the Administrator to include ways and means of strengthening the air traffic control service through various measures including special retirement for controllers. Report No. 1811, Senate, 85th Congress, 2d session.

The Congress adopted this recommendation of the Senate committee and the Administrator made the required study which reached the Congress belatedly in September, 1961. In his report the Administrator recommended 20-year retirement for air traffic controllers but the bill never was set for hearing by reason of the inability of affected agencies to accept other provisions of the measure.

I desire to make clear, if it is not already apparent, that the purpose of this proposed bill is safety alone.

It would provide air traffic controllers with a realistic retirement policy that will make it possible for controllers to relinquish their vital control responsibilities and retire from the service when

HOUSE OF REPRESENTATIVES
H. R. 6927

IN THE HOUSE OF REPRESENTATIVES

March 18, 1908.

Mr. [Name] introduced the following bill, which was read twice and referred to the Committee on [Committee Name].

A BILL

To amend the [Section] of [Title], and to provide for the [Purpose].

Be it enacted by the Senate and House of Representatives

in Congress assembled, That [Text]

Section 1. [Text]

Section 2. [Text]

Section 3. [Text]

89TH CONGRESS
1ST SESSION

H. R. 6927

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 1965

Mr. FASCELL introduced the following bill; which was referred to the Committee on Government Operations

A BILL

To establish a Department of Housing and Urban Development,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Housing
4 and Urban Development Act".

5 DECLARATION OF PURPOSE

6 SEC. 2. The Congress hereby declares that the general
7 welfare and security of the Nation and the health and living
8 standards of our people require, as a matter of national
9 purpose, sound development of the Nation's urban communi-
10 ties and metropolitan areas in which the vast majority of its
11 people live and work.

1 To carry out such purpose, and in recognition of the
2 increasing importance of housing and urban development in
3 our national life, the Congress finds that establishment of an
4 executive department is desirable to achieve the best adminis-
5 tration of the principal programs of the Federal Government
6 which provide assistance for housing and for the development
7 of the Nation's communities; to assist the President in achiev-
8 ing maximum coordination of the various Federal activities
9 which have a major effect upon urban, suburban, or metro-
10 politan development; to encourage the solution of problems
11 of housing and urban development through State, county,
12 town, village, or other local and private action, including
13 promotion of interstate, regional, and metropolitan coopera-
14 tion; and to provide for full and appropriate consideration,
15 at the national level, of the needs and interests of the Nation's
16 communities and of the people who live and work in them.

17 ESTABLISHMENT OF DEPARTMENT

18 SEC. 3. (a) There is hereby established at the seat of
19 government an executive department to be known as the
20 Department of Housing and Urban Development (herein-
21 after referred to as the "Department"). There shall be at
22 the head of the Department a Secretary of Housing and
23 Urban Development (hereinafter referred to as the "Secre-
24 tary"), who shall be appointed by the President, by and
25 with the advice and consent of the Senate. The Department

1 shall be administered under the supervision and direction
2 of the Secretary. The Secretary shall receive compensation
3 at the rate now or hereafter prescribed by law for the heads
4 of executive departments.

5 (b) The Secretary shall, among his responsibilities,
6 advise the President with respect to Federal programs and
7 activities relating to housing and urban development; de-
8 velop and recommend to the President policies for fostering
9 the orderly growth and development of the Nation's urban
10 areas; exercise leadership at the direction of the President in
11 coordinating Federal activities affecting housing and urban
12 development; provide technical assistance and information,
13 including a clearinghouse service to aid State, county, town,
14 village, or other local governments in developing solutions
15 to urban and metropolitan development problems; encourage
16 comprehensive planning by the State and local governments
17 with a view to coordinating Federal, State, and local urban
18 development activities, and conduct continuing comprehen-
19 sive studies, and make available findings, with respect to
20 the problems of housing and urban development.

21 (c) Nothing in this Act shall be construed to deny or
22 limit the benefits of any program, function, or activity as-
23 signed to the Department by this or any other Act to any
24 community on the basis of its population or corporate status,
25 except as may be expressly provided by law.

1 UNDER SECRETARY AND OTHER OFFICERS

2 SEC. 4. (a) There shall be in the Department an Under
3 Secretary, four Assistant Secretaries, and a General Counsel,
4 who shall be appointed by the President by and with the
5 advice and consent of the Senate, who shall receive com-
6 pensation at the rate now or hereafter provided by law for
7 under secretaries, assistant secretaries, and general counsels,
8 respectively, of executive departments, and who shall per-
9 form such functions, powers, and duties as the Secretary
10 shall prescribe from time to time.

11 (b) There shall be in the Department an Assistant
12 Secretary for Administration, who shall be appointed, with
13 the approval of the President, by the Secretary under the
14 classified civil service, who shall perform such functions,
15 powers, and duties as the Secretary shall prescribe from time
16 to time, and whose annual rate of compensation shall be the
17 same as that now or hereafter provided by or pursuant to
18 law for Assistant Secretaries for administration of executive
19 departments.

20 TRANSFERS TO DEPARTMENT

21 SEC. 5. (a) Except as otherwise provided in subsection
22 (b) of this section, there are hereby transferred to and vested
23 in the Secretary all of the functions, powers, and duties of the
24 Housing and Home Finance Agency, of the Federal Housing
25 Administration and the Public Housing Administration in

1 that Agency, and of the heads and other officers and offices
2 of said agencies.

3 (b) The Federal National Mortgage Association, to-
4 gether with its functions, powers, and duties, is hereby trans-
5 ferred to the Department. The next to the last sentence
6 of section 308 of the Federal National Mortgage Associa-
7 tion Charter Act and the item numbered (94) of section
8 303 (e) of the Federal Executive Salary Act of 1964 are
9 hereby repealed, and the position of the President of said
10 Association is hereby allocated among the positions referred
11 to in section 7 (c) hereof.

12 CONFORMING AMENDMENTS

13 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United
14 States Code is hereby amended by striking out the period at
15 the end thereof and inserting a comma and the following:
16 "Secretary of Health, Education, and Welfare, Secretary of
17 Housing and Urban Development."

18 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
19 is amended by adding at the end thereof:

20 "Eleventh. The Department of Housing and Urban
21 Development."

22 (c) The amendment made by subsection (b) of this
23 section shall not be construed to make applicable to the
24 Department any provision of law inconsistent with this Act.

1 ADMINISTRATIVE PROVISIONS

2 SEC. 7. (a) The personnel employed in connection with,
3 and the assets, liabilities, contracts, property, records, and
4 unexpended balances of appropriations, authorizations, allo-
5 cations, or other funds held, used, arising from, or available
6 or to be made available in connection with, the functions,
7 powers, and duties transferred by section 5 of this Act are
8 hereby transferred with such functions, powers, and duties,
9 respectively.

10 (b) No transfer of functions, powers, and duties shall at
11 any time be made within the Department in connection with
12 the secondary market operations of the Federal National
13 Mortgage Association unless the Secretary finds that the
14 rights and interests of owners of outstanding common stock
15 issued under the Federal National Mortgage Association
16 Charter Act will not be adversely affected thereby.

17 (c) The Secretary is authorized, subject to the civil
18 service and classification laws, to select, appoint, employ, and
19 fix the compensation of such officers and employees, in-
20 cluding attorneys, as shall be necessary to carry out the pro-
21 visions of this Act and to prescribe their authority and
22 duties: *Provided*, That any other provision of law to the
23 contrary notwithstanding, the Secretary may fix the com-
24 pensation for not more than six positions in the Department
25 at the annual rate applicable to positions in level V of the

1 Federal Executive Salary Schedule provided by the Federal
2 Executive Salary Act of 1964.

3 (d) The Secretary may delegate any of his functions,
4 powers, and duties to such officers and employees of the
5 Department as he may designate, may authorize such suc-
6 cessive redelegations of such functions, powers, and duties
7 as he may deem desirable, and may make such rules and
8 regulations as may be necessary to carry out his functions,
9 powers, and duties. The second proviso of section 101 (c)
10 of the Housing Act of 1949 is hereby repealed.

11 (e) The Secretary may obtain services as authorized
12 by section 15 of the Act of August 2, 1946, at rates not to
13 exceed \$100 per diem for individuals.

14 (f) The Secretary is authorized to establish a working
15 capital fund, to be available without fiscal year limitation, for
16 expenses necessary for the maintenance and operation of
17 such common administrative services as he shall find to be
18 desirable in the interest of economy and efficiency in the
19 Department, including such services as a central supply
20 service for stationery and other supplies and equipment for
21 which adequate stocks may be maintained to meet in whole
22 or in part the requirements of the Department and its agen-
23 cies; central messenger, mail, telephone, and other communi-
24 cations services; office space; central services for document
25 reproduction and for graphics and visual aids; and a central

1 library service. In addition to amounts appropriated to
2 provide capital for said funds, which appropriations are
3 hereby authorized, the fund shall be capitalized by transfer to
4 it of such stocks of supplies and equipment on hand or on
5 order as the Secretary shall direct. Such fund shall be
6 reimbursed from available funds of agencies and offices in
7 the Department for which services are performed at rates
8 which will return in full all expenses of operation, including
9 reserves for accrued annual leave and for depreciation of
10 equipment.

11 (g) The Secretary shall cause a seal of office to be made
12 for the Department of such device as he shall approve, and
13 judicial notice shall be taken of such seal.

14 ANNUAL REPORT

15 SEC. 8. The Secretary shall, as soon as practicable after
16 the end of each calendar year, make a report to the Presi-
17 dent for submission to the Congress on the activities of the
18 Department during the preceding calendar year.

19 SAVINGS PROVISIONS

20 SEC. 9. (a) No cause of action by or against any agency
21 whose functions are transferred by this Act, or by or against
22 any officer of any such agency in his official capacity, shall
23 abate by reason of this enactment. Such causes of action
24 may be asserted by or against the United States or such
25 official of the Department as may be appropriate.

1 (b) No suit, action, or other proceeding commenced by
2 or against any agency whose functions are transferred by this
3 Act, or by or against any officer of any such agency in his
4 official capacity, shall abate by reason of the enactment of
5 this Act. A court may at any time during the pendency
6 of the litigation, on its own motion or that of any party,
7 order that the same may be maintained by or against the
8 United States or such official of the Department as may be
9 appropriate.

10 (c) Except as may be otherwise expressly provided in
11 this Act, all powers and authorities conferred by this Act
12 shall be cumulative and additional to and not in derogation
13 of any powers and authorities otherwise existing. All rules,
14 regulations, orders, authorizations, delegations, or other ac-
15 tions duly issued, made, or taken by or pursuant to applicable
16 law, prior to the effective date of this Act, by any agency,
17 officer, or office pertaining to any functions, powers, and
18 duties transferred by this Act shall continue in full force and
19 effect after the effective date of this Act until modified or
20 rescinded by the Secretary or such other officer or office
21 of the Department as, in accordance with applicable law, may
22 be appropriate. With respect to any function, power, or
23 duty transferred by or under this Act and exercised here-
24 after, reference in another Federal law to the Housing and
25 Home Finance Agency or to any officer, office, or agency

1 therein, except the Federal National Mortgage Association
2 and its officers, shall be deemed to mean the Secretary. The
3 positions and agencies heretofore established by law in con-
4 nection with the functions, powers, and duties transferred
5 under section 5 (a) of this Act shall lapse.

6 SEPARABILITY

7 SEC. 10. Notwithstanding any other evidence of the
8 intent of Congress, it is hereby declared to be the intent of
9 Congress that if any provision of this Act, or the application
10 thereof to any persons or circumstances, shall be adjudged
11 by any court of competent jurisdiction to be invalid, such
12 judgment shall not affect, impair, or invalidate the remainder
13 of this Act or its application to other persons and circum-
14 stances, but shall be confined in its operation to the provision
15 of this Act, or the application thereof to the persons and
16 circumstances, directly involved in the controversy in which
17 such judgment shall have been rendered.

18 EFFECTIVE DATE AND INTERIM APPOINTMENTS

19 SEC. 11. (a) The provisions of this Act shall take effect
20 upon the expiration of the first period of sixty calendar days
21 following the date on which this Act is approved by the
22 President, or on such earlier date as the President shall
23 specify by Executive order published in the Federal Register,
24 except that any of the officers provided for in sections 3 (a),
25 4 (a), and 4 (b) of this Act may be nominated and ap-

1 pointed, as provided in such sections, at any time after the
2 date this Act is approved by the President.

3 (b) In the event that one or more officers required by
4 this Act to be appointed by and with the advice and consent
5 of the Senate shall not have entered upon office on the effec-
6 tive date of this Act, the President may designate any person
7 who was an officer of the Housing and Home Finance
8 Agency immediately prior to said effective date to act in
9 such office until the office is filled as provided in this Act or
10 until the expiration of the first period of sixty days following
11 said effective date, whichever shall first occur. While so
12 acting such persons shall receive compensation at the rates
13 provided by this Act for the respective offices in which they
14 act.

89TH CONGRESS
1ST SESSION

H. R. 6927

A BILL

To establish a Department of Housing and Urban Development, and for other purposes.

By Mr. FASCELL

MARCH 30, 1965

Referred to the Committee on Government Operations

April 8, 1965

13. REORGANIZATION. The Rules Committee reported a resolution for consideration of H. R. 4623, to extend permanently the authority of the President to transmit reorganization plans to Congress under the Reorganization Act of 1949. p. 7103
14. WATER POLLUTION. Rep. Saylor recommended "emphasized research in the field of water pollution", and suggested close scrutiny of a report, "The Disposal of Municipal Sewage." pp. 7187-8
15. FOOD. Rep. Grabowski commended and inserted an article, "The Last Frontier," reporting on work being done in the Antarctic area involving research on forms of wildlife, mineral deposits and food forms. pp. 7219-25
16. FEDERAL-STATE PROGRAMS. Received from GAO a report of "inadequate administrative controls" over Federal Funds used for financing Federal-State programs, Dept. of Labor. p. 7228
17. MEDICARE. Passed by a vote of 313 to 115, without amendment, H. R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the Old-Age, Survivors, and Disability Insurance System, and to improve the Federal-State public assistance programs. pp. 7091-183, 7186, 7193, 7211-16, 7227
18. HOUSING. A subcommittee of the Government Operations Committee voted to report to the full committee H. R. 6927, to create a Department of Housing and Urban Development. p. D281
19. FLOOD CONTROL. A subcommittee of the Public Works Committee voted to report to the full committee H. R. 798, to provide assistance to the States of Calif., Ore., Wash., and Idaho for the reconstruction of areas damaged by recent floods and high waters. p. D281
20. MANPOWER. The "Daily Digest" states that conferees "agreed to a 3-year extension of the Manpower Development and Training Act of 1962." p. D282
21. URBAN RENEWAL. Rep. Widnall inserted a magazine article, "The Failure of Urban Renewal--A Critique and Some Proposals." pp. 7206-11
22. ADJOURNED until Mon., Apr. 12. p. 7228

ITEMS IN APPENDIX

23. ELECTRIFICATION. Extension of remarks of Rep. Pepper opposing proposed legislation which would deprive the Federal Power Commission of its authority to regulate interstate wholesale electric sales. pp. A1724-7
24. FARM PROGRAM. Rep. Harvey inserted an article on the President's farm bill, "Farmer and the Market." pp. A1729-30
Extension of remarks of Rep. Culver commending and inserting an article, "Johnson on Agriculture", and stating that it emphasizes the "overwhelming interdependency" of urban and rural America. p. A1745

25. EDUCATION. Speech in the House by Rep. Hechler supporting the proposed Elementary and Secondary Education Act. pp. A1731-2
26. PATENTS. Rep. Brown inserted a speech calling attention "to the plight" of the independent inventor. pp. A1733-4
27. SMALL BUSINESS. Rep. Williams inserted an address by Eugene P. Foley, SBA Administrator, explaining the functions and scope of his agency. pp. 441740-1
28. RECREATION; WATER RESOURCES. Extension of remarks of Rep. Stanton inserting 3 radio broadcasts on the importance of water resources development and the improvement of recreational facilities. p. A1743

BILLS INTRODUCED

29. RESEARCH. H. R. 7301 by Rep. Hanna, to provide for expanded research in oceans and the Great Lakes, to establish a National Oceanographic Council; to Merchant Marine and Fisheries Committee.
H. R. 7312 by Rep. Tupper, to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research; to Interstate and Foreign Commerce.
H. R. 7335 by Rep. McVicker and H. R. 7339 by Rep. Fulton, Pennsylvania, to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise; to Interstate and Foreign Commerce Committee. Remarks of Rep. McVicker p. 7226
30. PUBLIC WORKS. H. R. 7302 by Rep. Huot and H. R. 7314 by Rep. Wright, to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to Public Works Committee.
31. PERSONNEL. S. 1745 by Sen. Sparkman, to amend the Civil Service Retirement Act, as amended, to provide for the recomputation of annuities of certain retired employees who elected reduced annuities at the time of retirement in order to provide survivor annuities for their spouses, and for the recomputation of survivor annuities for the surviving spouses of certain former employees who died in service or after retirement; to Post Office and Civil Service Committee.
H. R. 7322 by Rep. May, to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive departments; to Post Office and Civil Service Committee.
32. FARM LABOR. H. R. 7317 by Rep. Dyal, to encourage the States to extend coverage under their State unemployment compensation laws to agricultural labor; to Ways and Means Committee.
33. ELECTRIFICATION. H. R. 7334 by Rep. Hosmer, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources; to Interior and Insular Affairs Committee.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 6, 1965

For actions of May 5, 1965

89th-1st; No. 80

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HIGHLIGHTS: House committee voted to report bill to establish Dept. of Housing and Urban Development. House subcommittee voted to report bill to provide fringe benefits for ASC county committee employees. Senate committee reported Schnittker nomination. Sen. Ervin commended farmers vote approving acreage poundage tobacco program. Rep. Nize urged construction of grain marketing research lab in Kans.

SENATE

- 1. NATIONAL PARKS.** Concurred in the House amendment to S. 60, to authorize the Secretary of the Interior to designate the Nez Perce National Historical Park, Idaho. This bill will now be sent to the President. p. 9123
- 2. NOMINATION.** The Agriculture and Forestry Committee reported the nomination of John A. Schnittker to be Under Secretary of Agriculture. p. 9116

3. WATERSHEDS. The Agriculture and Forestry Committee approved plans for works of improvement on the following watersheds: Vanar Wash, Ariz. and N. Mex.; Big Slough, Ark.; Rock Creek, Kans.; Rock Creek, Nebr.; Spring Creek, Nebr.; Willo Creek-Park River, N. Dak.; Minersville, Utah; Farm Brook, Conn.; Cass Draw, N. Mex.; and Plum Creek, Wis. p. D357
4. REPORTING REQUIREMENTS. Both Houses received from the Budget Bureau a proposed bill "to discontinue or modify certain reporting requirements of law"; to S. and H. Government Operations Committees. pp. 9116, 9286
5. TOBACCO. Sen. Ervin commended "the good judgment of the tobacco farms" in voting to approve the acreage-poundage tobacco program, and stated that the tobacco program has been one of the least expensive to the Government. pp. 9145-6
6. EGGS. Received a Calif. Legislature resolution urging this Department and the Congress "to take all appropriate action to increase the consumption of eggs by requesting retailers to promote eggs heavily at this time of low prices and by urging schools to increase their purchase of eggs for use in their feeding programs." p. 9116
7. FARM LABOR. Cosponsors were added to S. 1864, to provide minimum wages for certain persons employed in agriculture; S. 1965, to extend the Fair Labor Standards Act to certain children employed in agriculture; S. 1866, to make the National Labor Relations Act applicable to agriculture; S. 1867, to authorize improved methods of recruiting, training, transporting, and distributing agricultural workers; S. 1868, to provide for the establishment of a National Advisory Council on Migratory Labor; and S. 1869, to encourage the construction of housing facilities for agricultural workers. p. 9121
8. HOUSING. Sen. Clark inserted his testimony, made jointly for himself and several other Senators, in support of the proposed Housing and Urban Development Act of 1965. pp. 9133-6
9. SCHOOL LUNCH. Sen. Proxmire inserted an article discussing D. C. welfare programs, including reference to the school lunch program. pp. 9136-7

HOUSE

10. HOUSING. The Government Operations Committee voted to report (but did not actually report) H. R. 6927, with amendment, to establish a Department of Housing and Urban Development.
11. RECREATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 89, with amendment, to authorize the establishment of the Tocks Island National Recreation Area in Penn. and N. J., and H. R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area, Calif. p. D360
12. RECLAMATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 6032, with amendment, to amend the act authorizing the Mann Creek Federal Reclamation project, Idaho, in order to increase the amount authorized to be appropriated for such project (act of August 16, 1962; 76 Stat. 388). p. D360

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business

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U. S. Department of Agriculture

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For actions of May 11, 1965

89th-1st; No. 84

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HIGHLIGHTS: House committee reported bill to establish Department of Housing and Urban Development. House passed independent offices appropriation bill. Several Representatives and Senators commended REA on 30th anniversary. Rep. Talcott criticized farm labor situation. Sen. Mundt commended agriculture utilization research. Sen. Douglas introduced and discussed housing and urban development bill.

HOUSE

1. HOUSING AND URBAN DEVELOPMENT. The Government Operations Committee reported with amendment H. R. 6927, to establish a Department of Housing and Urban Development (H. Rept. 337). p. 9880
2. INDEPENDENT OFFICES APPROPRIATION BILL, 1966. Passed with amendments this bill, H. R. 7997 (pp. 9805-21). The bill includes funds for civil defense and defense mobilization functions of Federal agencies; disaster relief fund of

the President; Civil Service Commission; Federal Power Commission; Federal Trade Commission; General Accounting Office; General Services Administration; Housing and Home Finance Agency; Interstate Commerce Commission; and National Science Foundation.

3. FORESTRY. The Subcommittee on Public Parks of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H. R. 5798, to extend the boundaries of the Kaniksu National Forest, Idaho. p. D382
4. RIVER BASINS. The Rules Committee reported a resolution for consideration of H. R. 6755, to authorize additional appropriations for the prosecution of certain river basin plans for flood control by the Corps of Engineers (pp. 9821-2, 9880). Rep. Jones, Ala., spoke in support of this bill (p. 9827).
5. WATER RESOURCES. The Rules Committee reported a resolution for consideration of H. R. 5269, to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects. pp. 9822, 9880
6. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 6032, to authorize increased appropriations for the Mann Creek reclamation project, Idaho (H. Rept. 388). p. 9880
7. COPYRIGHTS. A subcommittee of the Judiciary Committee voted to report to the full committee with amendment H. J. Res. 431, to extend the duration of copyright protection in certain cases. p. D382
8. ELECTRIFICATION. Several Representatives paid tribute to the Rural Electrification Administration on its 30th anniversary. pp. 9824-6, 9828-30, 9861-2, 9868-9, 9878-9
Rep. Brown, Calif., commended AID, with the help of U. S. cooperatives and voluntary organizations, in providing assistance for the establishment of rural electric cooperatives in Latin America. pp. 9867-8
9. FARM LABOR. Rep. Talcott criticized the farm labor policies of the Department of labor and stated there was not an adequate supply of farm labor to harvest crops in Calif. p. 9842
10. UNDER SECRETARY. Reps. Cooley, Albert, and others commended the public service record of Under Secretary Murphy. pp. 9875-8
11. FOREIGN AID. Rep. Vigorito stated that the foreign aid program should not be blamed for the U. S. balance-of-payments deficit. p. 9828
Rep. Matsunaga defended the foreign aid program, stating that it is designed to help people and not foreign governments. p. 9873
Rep. Bingham commended the Alliance for Progress program, particularly in providing agricultural credit loans and food for the peoples of Latin America. p. 9875
12. REGIONAL DEVELOPMENT. Rep. Cleveland contended that the New England area was not receiving a fair share of Federal assistance for economically depressed areas. pp. 9834-5

[REPORTED WITH AN AMENDMENT]

89TH CONGRESS <i>1st Session</i>	}	HOUSE OF REPRESENTATIVES	}	REPORT No. 337
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ESTABLISHING A DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT, AND FOR OTHER PURPOSES

MAY 11, 1965.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Government Operations,
submitted the following

R E P O R T

[To accompany H.R. 6927]

The Committee on Government Operations, to whom was referred the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

Page 4, line 10, after the word "time." add a new sentence as follows:

One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, Departmental programs relating to the private mortgage market.

EXPLANATION OF AMENDMENT

The amendment incorporated into the bill by the committee designates one of the Assistant Secretaries of the new Department to administer, under the supervision and direction of the Secretary, programs carried out by the Department relating to the private mortgage market. These would include programs now being conducted by the Federal Housing Administration and the Federal National Mortgage Association. One purpose of the amendment is to assure continuity and effective administration of these important activities. An indication of their significance is the fact that together they engage the services of approximately 9,600 employees out of 13,713 in the Housing and Home Finance Agency, nearly two-thirds of the total. The amendment gives recognition to the great importance of this function.

PURPOSE AND BRIEF SUMMARY OF THE BILL

H.R. 6927 was introduced to effectuate a recommendation to Congress by President Lyndon B. Johnson to establish a new executive department so that urban problems may have representation "at the highest level of Government" and that housing programs as well will be in the "front rank of Government." The functions of the existing Housing and Home Finance Agency and its constituent agencies will be transferred to the new Secretary and the Federal National Mortgage Association will become a part of the new Department. In addition to the housing functions the new Secretary will carry out certain leadership and advisory responsibilities in urban development specified in the bill.

The bill makes a declaration that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work. A finding is announced that these can best be achieved through the establishment of a new Department headed by a Secretary.

The Secretary will, among his other responsibilities: (1) advise the President with respect to Federal programs and activities relating to housing and urban development; (2) develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; (3) exercise leadership at the discretion of the President in coordinating Federal activities affecting housing and urban development; (4) provide technical assistance and information (including a clearinghouse service) to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; (5) encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and local urban development activities; and (6) conduct continuing studies of housing and urban development problems.

No limitation is placed on the size of communities that may benefit from any program assigned to the Department. Accordingly, both small villages and large cities are included within its scope.

An Under Secretary, Assistant Secretaries, and General Counsel are provided along with other officers. The bill grants the usual administrative powers for the Secretary including the power of delegation; establishes a working capital fund for administrative services, and maintains all rules, regulations, orders, etc., issued by the transferred agencies.

HEARINGS

The Subcommittee on Executive and Legislative Reorganization held hearing on H.R. 6927 and companion bills at which time Government officials, Members of Congress, and representatives of interested organizations presented their views on the legislation.

Among the organizations favoring enactment were the U.S. Conference of Mayors, National League of Cities, National Association of Counties, National Association of Home Builders, National Housing Conference, American Institute of Planners, American Institute of

Architects, American Federation of Labor and Congress of Industrial Organizations, National Association of Housing and Redevelopment Officials, and National Association of Mutual Savings Banks.

Among those opposing enactment were the National Association of Real Estate Boards, Chamber of Commerce of the United States, National Association of Manufacturers, and Mortgage Bankers Association of America.

The statement of Budget Director Kermit Gordon was delivered by Deputy Director Elmer B. Staats. He appeared in behalf of the administration and presented an explanation of the contents of the bill and justifications for its passage. He made the following comments, among others:

When the Constitution was adopted, 5 percent of our people lived in urban areas; today, this has grown to 70 percent. Over the next 35 years, more than 80 percent of our population increase will occur in urban areas.

The rapid growth of our urban areas has created critical problems affecting both our national welfare and our economic productivity.

The solution of these problems calls for effective and timely action by the Federal Government, by State and local governments, and by private enterprise.

The Federal Government can give—indeed, it has a clear responsibility for providing—positive leadership and constructive assistance in the solution of these problems. In order to give leadership it must first modify the existing executive structure to give appropriate recognition to the importance of housing and urban development.

In this respect, there is little doubt that the establishment of a Department of Housing and Urban Development is the single most important step we can take.

Placing the functions of housing and urban development under Cabinet-level direction gives proper recognition to their importance in the social and economic advancement of the Nation.

It will help to assure that urban needs are given equal consideration with other national needs in the formulation of national development policies.

Establishment of a Department of Housing and Urban Development would be consistent with organizational trends at the State and local government level.

Many States, counties, and a multitude of local communities are committed to programs of housing and urban improvement. The governments of many municipalities have been substantially reorganized in recognition of the importance of these functions.

A number of States have recognized the significance of sound local development to the prosperity of the State and have established governmental units to provide a focus for urban development efforts.

Thus the establishment of a Federal Department of Housing and Urban Development would serve to encourage further State and local action along these lines. Moreover,

such parallel organization would promote closer intergovernmental cooperation in activities affecting housing and urban development.

Within the Federal Government itself, the establishment of a Department of Housing and Urban Development will promote more effective coordination of Federal programs relating to all of these functions.

In the first place, a large proportion of these Federal programs are now located within the present Housing and Home Finance Agency. Provisions of the bill vesting program functions of that Agency directly in the Secretary will permit him to keep his house in good order.

As the President stated in his 1964 housing message, "We need governmental machinery designed for the 1960's, not the 1940's."

When HHFA was set up in 1947, the major purpose was to provide general supervision and coordination of the various housing programs then existing, although the constituent agencies retained their own identity and a substantial degree of autonomy.

In the ensuing years a variety of new urban development programs—community facilities, urban renewal, urban planning, mass transportation—were enacted by the Congress and set up under the direct control of the Housing Administrator. Likewise, new housing programs, such as college housing and housing for the elderly, were developed and existing programs grew in size and complexity.

Yet, the Agency has remained in many respects a holding company in its organizational structure: The powers and functions of FHA and PHA have continued to be vested in the commissioners of those agencies.

The internal coordinating influence exerted by the Administrator has been limited, and he has not had the real authority to secure the kind of organizational meshing of closely related activities that is needed to achieve a maximum level of efficiency and economy.

It has been maintained that a provision of the Independent Offices Appropriation Act of 1955 gave the Administrator ample reorganization authority to achieve these purposes. The provision reads:

"* * * \$2,868,500, including additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency, and the Administrator's general supervision and coordination responsibilities under Reorganization Plan Numbered 3 of 1947 shall hereafter carry full authority to assign and reassign functions, to reorganize and to make whatever changes, including the reallocation and transfer of administrative expense funds and authority where applicable, necessary to promote economy, efficiency, and fidelity in the operations of the Housing and Home Finance Agency."

It is clear that this provision does not vest in the Administrator the functions which previously have been vested by statute in constituent agency commissioners, nor does it

remove from them the primary responsibility for those functions.

Seen in the light of its context and its history, the provision was meant to clarify the supervisory and coordinating authority provided the Administrator in the reorganization plan setting up the HHFA.

The particular and immediate objective of the provision was the strengthening and centralization of investigation and compliance functions in order to prevent the recurrence of the mortgage insurance scandals of 1954.

The net result of the provision was to provide clearer authority for general supervision of HHFA activities by the Administrator, but it falls short of the full authority for reorganization of functions which is sought in this legislation and which is necessary to secure the best internal coordination of the housing and urban development functions now in the Agency.

Second, in addition to strengthening the internal organization of the programs in HHFA, the legislation will promote a better coordination of these programs with the programs of other agencies which relate to housing and urban development.

When the President seeks to coordinate related governmental functions by assigning a leadership role to one or another agency, he is more effectively served if that agency has departmental status.

In order to perform such a role most effectively, the agency should have status at least equal to that of the other agencies whose activities it is charged with coordinating.

Each of our existing departments plays such a leadership role in coordinating various Federal activities as they relate to its own central responsibilities: The Secretaries act as the President's chief advisers on the major functions for which each has primary responsibility.

However, there exists no such Cabinet-level leadership in coordinating Federal programs as they relate to housing and urban development, functions vital to our national economy and welfare.

No exact criteria have ever been prescribed for determining at what stage in its development an agency may merit departmental status. The Congress generally has applied certain pragmatic tests in considering proposals to establish new executive departments.

These tests have related primarily to the permanence, size, scope, interrelatedness, and, above all, to the national significance of the programs to be administered by the proposed department.

Departmental status has been given to those agencies which—

- (1) Administer a wide range of programs directed toward a common purpose of national importance and,
- (2) Are concerned with policies and programs requiring frequent and positive Presidential direction and representation at the highest levels of government.

The Housing and Home Finance Agency clearly meets these tests. By these criteria, it is a department in all but name and status.

In sum, programs administered by the HHFA are of such scope and size that they represent a major sector of the continuing domestic responsibilities of the Federal Government.

Although these programs may change from time to time in direction or emphasis, depending upon the requirements of the national welfare and economy, the permanence of many or most of them cannot be seriously questioned.

For these reasons, then, HHFA should be an executive department.

The proposals reflected in the pending legislation represent the results of intensive study by the executive branch and others concerned with the organization and administration of the Nation's housing and urban development activities.

To summarize, there are three principal advantages to be gained by establishing a Department of Housing and Urban Development:

First, the creation of such a department gives long overdue recognition to the importance of these governmental functions to the Nation's economy and the welfare of its people.

Second, a Cabinet-level unit is necessary to provide maximum assistance to the President in coordinating the many complex Federal programs relating to housing and urban development and to provide a focal point in the Federal Government for guidance and assistance to the efforts of State, county and municipal governments and private enterprise to improve the Nation's communities.

Third, the legislation provides authority for the more effective direction and coordination of the closely interrelated programs of the present Housing and Home Finance Agency.

The Federal Government, over the past 30 years, has mounted a wide variety of programs to help meet the challenge of housing the Nation's growing population and to develop and improve its towns and cities. What is being sought here is an organizational structure better able to deal with the complex interrelationships among these many programs.

A Department of Housing and Urban Development is essential to assure better management and to realize maximum benefit from these programs in solving the Nation's problems.

The bill—most deliberately—does not seek to legislate in any program matters. It does not modify or repeal existing programs; it does not propose new ones.

It deals entirely with the President's need for an administrative instrument to facilitate both the formulation and the execution of public policy in the broad fields of housing and urban development.

In his message, the President said that it was his purpose—
“* * * to give greater force and effectiveness to our effort—and—to strengthen the constructive relationships between Nation, State and city—the creative federalism—which is essential to progress.”

In short, the President has concluded that, in his capacity as Chief Executive, he needs a more effective executive tool for meeting Federal responsibilities in connection with the problems of our urban areas. In our system of government as it has evolved over the years the appropriate form for such an instrument is the executive department at the Cabinet level, and that is what the President is now recommending for the approval of the Congress. Accordingly, we urge early and favorable action on this legislation.

Mayor Richard J. Daley of Chicago, representing the U.S. Conference of Mayors, discussed the needs of urban communities as follows:

I believe that whatever resistance there is to this legislation stems from the use of the words "urban" and "housing," and their identification with big cities. There are some who still fail or refuse to recognize the obvious—that we live in an urban society and that the problems of urbanization directly affect the lives of most of our citizens and indirectly influence the lives of all of our citizens.

For example, there are more than 10 million people living in the 102 counties of Illinois. The population in the metropolitan areas has risen from 2,600,000 in 1900 to 7,700,000 in 1960—or more than 76 percent of the total State population.

Much of this amazing growth occurred in the past 3 decades—but what is equally striking is that by 1970 four-fifths of the population of Illinois will live in 15 counties and only one-fifth of the population will live in 87 counties—and this urbanization, this concentration of population, is evident throughout our Nation.

Certainly, there can be no justification for the fact that many of the one-fifth of the State's population are represented in the Presidential Cabinet by the Department of Agriculture, while denying the same representation to the four-fifths.

Actually, those who represent rural interests must be concerned with the problems of the urban areas—for the prosperity and well-being of the metropolitan areas are essential to the welfare of the rural areas—just as the prosperity and well-being of the farmer and the rural areas must be of direct concern to urban residents.

This is not a bill for the big cities. As of January 1964, of a total of 1,402 reservations for projects under the jurisdiction of the Housing and Home Finance Agency, 646—or nearly 50 percent—were for cities under 100,000 population and these included 436 for cities less than 50,000 population. In fact, the largest number of grants—253—were for cities with a population ranging between 10,000 and 25,000.

A Secretary of Housing and Urban Development would fill a need which has already been met in all other important policy areas.

Business is represented by the Secretary of Commerce; labor is represented by the Secretary of Labor; the development of our natural resources in the West is represented by the Secretary of Interior. But nobody specifically represents the cities.

And yet, the productive capacity—the purchasing power—the backbone of our economy—and the people who pay most of the taxes—live in urban communities.

The Department of Agriculture—as well as the other Departments—have served the national interest—and the establishment of a Secretary of Housing and Urban Development would also make a great contribution to all of the people of our Nation.

With the tremendous growth of our economy, and the participation of the Federal Government in every aspect of our society, the problem of communications has intensified.

The present Departments have served as a central clearing-house, and individuals and organizations concerned with labor, commerce, agriculture, and public lands can receive information and guidance directly from the respective Department. Whereas, the mayor of a municipality must devote much time going from agency to agency to get an answer to a problem—or to get conflicting Federal programs coordinated.

The Housing and Home Finance Agency has become larger in the size of its staff and in the amount of its Federal expenditures and commitments than some of the present Cabinet-level departments.

The complexity and the diversity of interests, which the impact of urban development and housing has on every phase of the daily living of the great majority of our citizens, make it essential that programs be coordinated and concentrated attention on broad policies be developed on the highest executive level.

The first finding of the Hoover Commission was precisely along this line when it stated in reference to Federal programs: “Until dispersed units are pulled together, and authority is placed in Department heads as Chief Assistants to the President, there will be conflict, waste, and indecisiveness in administration.”

To sum up the benefits arising from the establishment of a Department of Housing and Urban Development:

The Department would fill a need which has already been met in all other important policy areas by establishing a Secretary who would be available as a consultant on urban affairs to other officials in the Federal Government—and by representing the interests of the vast majority of our citizens who live in metropolitan areas.

The result of centralizing the various Federal activities concerned with urban affairs would provide for a unified organization at the Federal level, would coordinate existing programs, and would reduce the number of independent agencies reporting directly to the President and the Congress.

The establishment of a Department would make it possible to conduct the great amount of comprehensive research that needs to be done if we are to solve the problems of urbanization.

There is considerable research being carried on today, but such studies are made in bits and pieces. The results of such studies are often not widely publicized, and a Federal depart-

ment could not only develop its own program of essential information, but would have channels available to distribute basic research studies to city, county, and State officials.

Certainly, a Department of Housing and Urban Development could provide a central point in the Federal Government where cities could come for help and information.

It is important to note that the proposed bill in itself adds no new programs or operation to the new Department. It does assign additional responsibility for leadership in coordination with all of the activities of the Federal Government as they affect urban areas.

Robert L. Williams, executive director of the American Institute of Planners, the professional society of city and regional planners, emphasized the necessity for coordination. He stated:

The Federal Government has recognized the growing importance of cities in metropolitan areas in our national economic and social life by the adoption of more than 50 programs of aid to urban areas and urban problems.

Many of these programs are concentrated in the Housing and Home Finance Agency and include aids to public and private housing, urban renewal, local and State planning, community facilities, open space reservation, and transit.

Other important programs, including aids to highways, area development, airports, sewerage, ports and harbors, parks, hospitals, and education are scattered in other departments of the Federal establishment.

The coordination of these Federal programs, the development of national policies regarding urban growth and planning, and the coordination of all Federal programs under the guidance of local and metropolitan and State plans have become essential administrative obligations if Federal aids are to be administered efficiently and if local responsibility for planning for them is to be retained and strengthened.

Under these circumstances, it is essential that the structure of the executive branch of the Federal Government give recognition to the importance of cities in our national life by the establishment of a Department of Housing and Urban Development.

Similar recognition has been given to other significant aspects of our country as they have emerged in national importance. The establishment of this Department would provide a point of contact for local government leadership hitherto lacking in the executive branch.

The establishment of this Department is also essential to provide the administrative means for drafting national policies, for consulting with State and local governments regarding them, and for recommending their adoption by the President so that Government-wide coordination of aids to urban areas can be initiated and continuously maintained.

No single department of the Federal Government will ever embrace all Federal aids to areas, specifically urban areas, and no single department can ever coordinate other departments.

On the other hand, the initiation of Government-wide policies, such as urban land, is unlikely until a Department of Housing and Urban Development is established, and the coordination of Federal programs is unlikely until State and local governments have a recognized Cabinet official charged with responsibility for representing them in the executive branch.

Finally, our Federal tradition has always emphasized the primary responsibility of State and local governments for providing local services and establishing local public policies. This historic responsibility for local determination of local matters is threatened by the rapid growth of State and Federal programs of aid and their uncoordinated administration.

We are particularly concerned, I might say parenthetically, in the parity question, which forces "window shopping" at the local level, for example, open space. Only by strengthening local and metropolitan instruments of coordination can local responsibility be reinvigorated and Federal agencies be provided with local policies and plans which should guide Federal programs.

Thus, the establishment of a Department of Housing and Urban Development, if accompanied by appropriate means for stimulating local and metropolitan planning and if accompanied by a recognition of the fact that Federal aids should serve locally established objectives, will serve to strengthen rather than weaken our systems of local government.

GENERAL STATEMENT

The Committee on Government Operations recommends the enactment of this bill, proposed by the President, to establish a new executive Department of Housing and Urban Development. In our judgment, the need has been demonstrated and the time is ripe.

We have become a predominantly urban people. Seventy percent of the population of the United States now lives in urban centers. This has produced for us some of the greatest blessings of civilization but also some of the knottiest problems. As this committee said in 1961:

All of our people are affected by the progress or decline of our urban areas. One of the anomalies of American life has been the increasing concentration of people in our cities but at the same time a growing and admitted inability of the cities to cope with the problems this concentration has brought about. Another paradox is the spreading physical deterioration which has set in in many cities while this rapid population expansion has been going on. This is evident to any observer and needs little documentation. It led President Kennedy to declare that the prevention of the appalling deterioration of many of our country's urban areas and the rehabilitation of the cities of our Nation should be placed near the top of our list of national priorities. The Federal Government has assisted local efforts to improve these conditions but a stronger program and more effective coordination of existing activities is required. The President

has recommended and we agree that the creation of a new department is a vital necessity to make more effective the Federal Government's role in aiding these local improvements.

Now President Lyndon B. Johnson has reemphasized the necessity for action in this area of government. Speaking of Federal housing and urban programs already in being, he has said and we agree:

Our urban problems are of a scope and magnitude that demand representation at the highest level of government. The Housing and Home Finance Agency was created two decades ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well.

Criteria for granting departmental status include (a) administration of a wide range of programs directed toward a common purpose of national importance, and (b) concern with policies and programs requiring frequent and positive Presidential direction and representation at the highest levels of the Government. The Department of Housing and Urban Development clearly meets these tests. Furthermore, housing and urban programs now being carried out by the Housing and Home Finance Agency are closely interrelated in both operation and impact. Departmental status would make possible a coordination of these programs which does not now exist. It would clarify currently jumbled lines of authority within the Housing and Home Finance Agency, knitting together its programs with better cohesion, and giving the whole a greater unity of purpose and objectives. The Secretary could thereby be held more clearly responsible to the President and the Congress for the effective execution of these programs. The vesting of functions and authority in the heads of executive departments has become customary and comports with modern concepts of administrative management and recommendations of the Hoover Commission on Organization of the Executive Branch of the Government. In its first report, the Hoover Commission stated:

Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

As has frequently been recommended by mayors and municipal oriented organizations, there should be within the executive branch a focal point through which policies affecting housing and urban development are coordinated and correlated. Just as the Secretaries of Departments such as Treasury, Labor, Health, Education, and Welfare speak for the President and exercise powerful influence with respect to matters of concern to them throughout the entire executive branch, so the new Secretary would be expected to exercise leadership at the direction of the President in coordinating activities affecting housing and urban development.

During the hearings, Bernard F. Boutin, executive vice president of the National Association of Home Builders and former Administrator of the General Services Administration, said:

There is a vast difference between the standing in the councils of the executive branch of the head of an independent agency and the status of a member of the Cabinet. A very good example of this is the ability of a Secretary of Housing and Urban Development to talk as an equal with the Secretary of the Treasury or monetary policy, which is vastly important to the whole homebuilding industry.

The magnitude of the financial transactions for which the Housing the Home Finance Agency is responsible is comparable to that of any of the existing departments of the Government (except Defense) and the diversity and complexity of the transactions are exceeded by none. We see the tremendous scope of these operations as further justification for raising the status of the Agency.

It was estimated by the Bureau of the Budget that a net savings could be made in salary payments by the creation of the new department of approximately \$50,000 per year. This figure was arrived at by subtracting from the cost of the new offices the cost of those either being eliminated or rendered no longer necessary. A tabular presentation of these calculations follows:

Effect of departmental bill on authorized costs of top level positions

	Number	Annual cost	Level
Positions established or authorized by bill:			
Secretary.....	1	\$35,000	I
Under Secretary.....	1	28,500	II
Assistant Secretary.....	4	108,000	IV
General Counsel.....	1	27,000	IV
Assistant Secretary for Administration.....	1	26,000	V
Other statutory positions at level V.....	6	156,000	V
Total.....	14	380,500	
Positions eliminated by bill:			
Administrator.....	1	30,000	II
Deputy Administrator.....	1	28,500	III
Constituent Commissioners.....	4	108,000	IV
President, FNMA.....	1	26,000	V
Research Director (vacant).....	1	¹ 27,000	
Special Assistant for Cooperative Housing (FHA).....	1	18,170	
Special Assistant for Armed Services Housing (FHA).....	1	21,020	
Federal Flood Insurance Commissioner (vacant).....	1	¹ 27,000	
Total.....	11	275,690	
Positions rendered unnecessary by bill:			
General Counsel.....	1	26,000	V
Assistant Administrator (administration).....	1	24,445	
Assistant Administrator (program policy).....	1	24,500	
Assistant Administrator (transportation).....	1	24,500	
Assistant Administrator (community programs).....	1	22,195	
Assistant Administrator (metropolitan development).....	1	22,195	
Total.....	6	143,835	
Recapitulation:			
Positions established by bill.....	14	380,500	
Positions eliminated or rendered unnecessary.....	-17	429,525	
Difference.....	(3)	(49,025)	

¹ The compensation of the positions of Research Director and Federal Flood Insurance Commissioner is fixed by law at the basic rate of compensation established for the heads of the constituent agencies. The Government Employees Salary Reform Act of 1964 (Public Law 88-426) fixed the compensation of the Commissioners of the Community Facilities Administration, Federal Housing Administration, Public Housing Administration, and Urban Renewal Administration at \$27,000. Although the positions of these Commissioners were placed in level IV by the Federal Executive Salary Act of 1964, these 2 positions were not included.

Further savings of greater magnitude can be predicted. These will come mainly from increased effectiveness of program operations achieved through a more unified administration of the Department's activities. An example would be in the reduction of now prevalent delays in urban renewal projects that result from timelags in approval of mortgage insurance or public housing for displacees or road planning, all handled by different agencies or bureaus. The cost of providing administrative services likewise should be reduced through the centralization of such services and the creation of a working capital fund as provided for in the bill.

During a colloquy with Congressman Henry S. Reuss, the following comment was made by Deputy Budget Director Staats:

We are confident that there will be savings here. But we would not want to put a specific dollar figure on that, absent an opportunity to work with the new Cabinet officer in developing the most economic plan of his field operations. But there will be savings here; we are confident of that.

The committee emphasizes that although this legislation provides an improved organizational arrangement, it does not change in any substantive way the present housing or urban functions of the Federal Government. Nor does it put into the new Department any agencies or existing programs not already in the Housing and Home Finance Agency. The new functions are only those given to the Secretary in section 3(b) of the bill. These are principally to advise the President, exercise leadership in coordinating activities, provide technical assistance, encourage planning, and conduct studies.

DIFFERENCES BETWEEN 1965 BILL AND BILL REPORTED IN 1961

The new bill to establish a Department of Housing and Urban Development is like the administration bill (S. 1633 and H.R. 8429, 87th Cong.) as amended and reported in 1961 by the Senate and House Committees on Government Operations, except that (1) the name of the Department is changed; (2) a committee amendment to the 1961 bill relating to the Federal Housing Administration has been revised, the related provision of the original administration bill has been incorporated, and an additional Assistant Secretary is authorized; and (3) other conforming changes are made. More specifically, these differences are as follows:

(1) *Name of Department.*—The name of the Department under the 1965 bill would be the Department of Housing and Urban Development rather than the Department of Urban Affairs and Housing. This name would reflect more accurately the functions of the Department. It would make it clear that the Department would be concerned with the development (but not other "affairs") of all urban areas—large and small. The statement of purpose of the bill and the functions of the Secretary as stated in the bill are also changed to accomplish this clarification and for consistency.

(2)(a) *FHA structure and Commissioner's Office.*—The committee amendment of the 1961 bill provided that the functions of the FHA would be in the Secretary of the Department and "carried out under his direction by a Commissioner," and would have transferred the FHA as an entity to the Department. The

1965 bill would transfer the functions of FHA to the Secretary, and the Secretary could provide for the administration of those functions through such organizational component and headed by such officer as he determines. The 1965 committee amendment designates one of the Assistant Secretaries to administer programs related to the private mortgage market.

This is consistent with the longstanding policy of the executive branch and with the recommendations of the Hoover Commission. As a matter of good organization, functions should be lodged in the head of the Department or agency. It is also consistent with the existing structure of most departments and major agencies. The 1965 bill contains clear provisions emphasizing the importance of the Secretary's functions with respect to housing. The committee amendment was prompted by concern that housing would not receive its share of attention. The provisions of the 1965 bill remove the need for the committee amendment.

(b) *Appointment of Federal Housing Commissioner.*—The committee amendment to the 1961 bill would have provided for appointment of the Federal Housing Commissioner by the President with the advice and consent of the Senate. Under the new bill, the principal operating officials of the Department at the bureau level would be appointed by the Secretary. The Assistant Secretaries and the Under Secretary would be appointed by the President with the advice and consent of the Senate.

This authority in the Secretary is necessary for a consistent organization of the Department, and to give him the basic authority needed to assure control over the functions for which he is responsible. It conforms to a specific recommendation of the Hoover Commission.

(c) *Additional Assistant Secretary.*—The 1961 bill provided for three Assistant Secretaries. The 1965 bill provides for an additional Assistant Secretary to provide maximum flexibility for the Secretary in organizing the Department.

(3) *Conforming and other changes.*—In order to make the statement of purpose of the 1965 bill and other provisions in the bill consistent with the name "Department of Housing and Urban Development", the term "community" is omitted. A provision is also omitted which was in the committee reported 1961 bill which would have required the Secretary to give consideration to the problems of small towns and communities. This provision is not needed in view of the broadening effect of the change of the name of the Department and corresponding changes in the functions of the Secretary.

A provision is omitted from the 1965 bill which would have authorized the Secretary to place up to 35 positions in the Department in grades 16, 17, or 18 of the general schedule, in addition to those authorized for Federal agencies generally.

Under the 1965 bill the Secretary would be authorized to fix the compensation for not more than six positions in the Department at the rate provided in level V of the Federal Executive Salary Act of 1964. This is deemed equivalent to the pay currently received by those officials in other departments performing functions similar to these of the Commissioners of the present constituent agencies and units of the Housing and Home Finance

Agency. The 1961 bill would have permitted the Secretary to provide compensation for up to nine such positions.

DIFFERENCE BETWEEN 1965 BILL AND REORGANIZATION PLAN No. 1 OF 1962

The 1965 bill to establish a Department of Housing and Urban Development is the same as Reorganization Plan No. 1 of 1962,¹ except (1) the name of the Department is different; (2) inconsistent provisions in the plan are omitted which relate to the status of the Federal Housing Administration and the appointment of the Commissioners of the Federal Housing Administration and the Public Housing Administration, and (3) the bill contains legislative provisions and authorizations of new functions and powers in the Secretary which could not legally be included in a reorganization plan. The following explains in more detail these differences:

(1) *Name of Department.*—The name of the Department under the 1965 bill would be the Department of Housing and Urban Development rather than Department of Urban Affairs and Housing. This name would reflect more accurately the functions of the Department. It would make it clear that the Department would be concerned with the development (but not other "affairs") of all urban areas—large and small.

(2) *Status of FHA and appointment of Commissioners of FHA and PHA.*—(a) The plan would have transferred the FHA as an entity and with its present name to the department, and provided that the functions of FHA would be transferred to the Secretary and carried out under his direction by the Federal Housing Commissioner. The 1965 bill would transfer the FHA functions to the Secretary and by committee amendment designates an Assistant Secretary to administer programs relating to the private mortgage market.

This is consistent with the longstanding policy of the executive branch and with the recommendations of the Hoover Commission. As a matter of good organization, functions should be lodged in the head of the department or agency. It is also consistent with the existing structure of most departments and agencies. The 1965 bill contains clear provisions emphasizing the importance of the Secretary's functions with respect to housing. The committee amendment was prompted by concern that housing would not receive its share of attention. The provisions of the 1965 bill remove the need for the committee amendments.

(b) The plan would have provided for the nomination by the President and confirmation by the Senate of the Commissioners of FHA and PHA. Under the bill, the principal operating officials of the Department at the bureau level would be appointed by the Secretary. The Assistant Secretaries and the Under Secretary would be appointed by the President with the advice and consent of the Senate.

¹ Reorganization Plan No. 1 of 1962 was essentially the same as the departmental bill as amended and reported in 1961 by the Senate and House Committees on Government Operations, except for omission of provisions in the bill which could not legally be included in a reorganization plan, and the addition of a provision for Presidential appointment and Senate confirmation of the Public Housing Commissioner and the continuation of that office.

(c) The plan would have provided for three Assistant Secretaries. The 1965 bill provides for an additional Assistant Secretary to provide maximum flexibility for the Secretary, in organizing the Department.

(3) *Legislative provisions and new functions and powers.*—The 1965 bill contains legislative provisions and authorizations, which could not legally be included in the plan, as follows:

(a) A congressional statement of purpose would be set forth.

(b) The Secretary would be directed to—

(i) Advise the President with respect to Federal programs and activities relating to housing and urban development;

(ii) Develop and recommend to the President policies, for fostering the orderly growth of the Nation's urban areas;

(iii) Exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development;

(iv) Provide technical assistance and information to aid State and local governments;

(v) Encourage comprehensive planning by State and local governments with a view to coordinating intergovernmental urban development activities;

(vi) Study the problems of housing and urban development and promulgate his findings; and

(vii) Make an annual report to the President for submission to Congress.

(c) The denying of any benefits to any community on the basis of its population or corporate status, except as expressly provided by law, would be prohibited.

(d) The Secretary would be authorized to establish a working capital fund for operating various common services in the Department.

(e) The Secretary and the Secretary of HEW would be placed in the line of succession to the Office of the President of the United States.

(f) The Secretary would be authorized to appoint personnel, and fix compensation for heads of organizational components he establishes, and the provision in the Federal National Mortgage Association Charter Act that provides for the salary of the President of the Association would be repealed.

(g) Certain existing statutory administrative provisions would be made available to the Secretary.

(h) Prohibition against delegation by the Secretary of certain functions would be repealed.

CHRONOLOGY OF EXECUTIVE AND CONGRESSIONAL ACTION ON DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, 1961 TO DATE

January 30, 1961: State of the Union message. The President said:

Our cities are being engulfed in squalor. Twelve long years after Congress declared our goal to be "a decent home and a suitable environment for every American family," we still have 25 million Americans living in substandard homes. A new housing program under a new Housing and Urban Affairs Department will be needed this year.

March 9, 1961: President's message on housing and community development:

A NEW DEPARTMENT OF HOUSING AND URBAN AFFAIRS

Urban and suburban areas now contain the overwhelming majority of our population, and a preponderance of our industrial, commercial, and educational resources. The new housing and urban programs as well as existing housing and community development programs, deserve the best possible administrative efficiency, stature, and role in the councils of the Federal Government. An awareness of these problems and programs should be constantly brought to the Cabinet table, and coordinated leadership provided for functions related to urban affairs but appropriately performed by a variety of departments and agencies.

I therefore recommend—and shall shortly offer a suggested proposal for—the establishment in the executive branch of a new, Cabinet-rank, Department of Housing and Urban Affairs.

April 18, 1961: President transmitted to Congress a draft bill to establish a Department of Urban Affairs and Housing.

S. 1633 introduced by Senator Joseph S. Clark, Jr., and 14 other Senators.

H.R. 6433 introduced by Representative Dante B. Fascell.

May 24, 1961: House committee hearing on H.R. 6433.

June 6-7, 1961: Senate committee hearing on H.R. 6433.

June 21-22, 1961: Senate committee hearing on S. 1633.

August 1, 1961: H.R. 8429 introduced by Representative Dante B. Fascell.

August 28, 1961: H.R. 8429 reported with amendments by House committee.

September 6, 1961: S. 1633 reported with amendments by Senate committee.

Bill as reported was identical to H.R. 8429 as reported.

January 11, 1962: State of the Union message. The President said:

* * * both equity and commonsense require that our Nation's urban areas—containing three-fourths of our population—sit as equals at the Cabinet table. I urge a new Department of Urban Affairs and Housing.

January 18, 1962: President's budget message for the fiscal year 1963 urges early action.

January 24, 1962: House Rules Committee denied a rule on H.R. 8429. President Kennedy said in a press conference:

I am going to send it to Congress as a reorganization plan and give every Member of the House and Senate an opportunity to give their views and work their will on this.

January 30, 1962: President transmitted Reorganization Plan No. 1 of 1962 (H. Doc. 320) providing for the establishment in the executive branch of a new Department of Urban Affairs and Housing.

House Resolution 530, House Resolution 531, and House Resolution 532 disapproving the reorganization plan were introduced by Repre-

sentatives Meader (Michigan), Dominick (Colorado), and Anderson (Illinois).

January 31, 1962: Senate Resolution 288, a resolution disapproving Reorganization Plan No. 1 of 1962 was introduced by Senator McGee (Arizona).

February 6, 1962: The House Committee on Government Operations held hearings on resolutions disapproving Reorganization Plan No. 1 of 1962.

February 8, 1962: The House Committee on Government Operations ordered reported unfavorably resolution of disapproval of Reorganization Plan No. 1.

February 14, 1962: The Senate Committee on Government Operations held hearings on resolution disapproving Reorganization Plan No. 1.

February 15, 1962: House Resolution 530, a resolution disapproving Reorganization Plan No. 1 of 1962 was reported unfavorably by the House Committee on Government Operations.

February 20, 1962: The Senate by a vote of 58 nays to 42 yeas rejected a motion to discharge the Committee on Government Operations from further consideration of Senate Resolution 288 disapproving Reorganization Plan No. 1.

February 21, 1962: The House by rollcall vote of 264 yeas to 150 nays agreed to House Resolution 530, a resolution disapproving Reorganization Plan No. 1 of 1962 to establish a Department of Urban Affairs.

January 17, 1963: President's budget message. The President said:

The Federal Government is not properly organized at present to deal efficiently and effectively with the pressing problems of urban areas. I again recommend strongly that the Congress establish a Department of Urban Affairs and Housing to give urgently needed leadership in the solution of these problems.

January 21, 1964: President's budget message. The President said:

One of the most urgently needed improvements requiring congressional action is legislation to create a Department of Housing and Community Development to provide leadership in coordinating various Federal programs which aid the development of our urban areas. I recommend that the Congress approve establishment of this new Department during its current session.

January 27, 1964: President's message on housing and community development. The President said:

The size and breadth of the Federal programs now administered by the Housing and Home Finance Agency and the significance of those programs clearly merit departmental status. A new Secretary of Housing and Community Development would be in a position both to present effectively the Nation's housing and community development needs in the highest councils of Government and to direct, organize, and manage more efficiently the important and closely interrelated housing and community development

programs now administered or proposed for the Housing and Home Finance Agency.

I recommend that the Congress establish a Department of Housing and Community Development.

January 29, 1964: S. 2475, a bill to establish a Department of Housing and Community Development was introduced by Senator Clark, for himself and Senators Humphrey, Douglas, and Gruening.

February 13, 1964: H.R. 9983, a bill identical to S. 2475 (above) was introduced by Representative Reuss.

January 4, 1965: State of the Union message. The President said:

An educated and healthy people require surroundings in harmony with their hopes.

In our urban areas the central problem today is to protect and restore man's satisfaction in belonging to a community where he can find security and significance.

The first step is to break old patterns—to begin to think, work, and plan for the development of entire metropolitan areas. We will take this step with new programs of help for basic community facilities and neighborhood centers of health and recreation.

New and existing programs will be open to those cities which work together to develop unified long-range policies for metropolitan areas.

We must also make important changes in our housing programs if we are to pursue these same basic goals.

A Department of Housing and Urban Development will be needed to spearhead this effort in our cities.

January 25, 1965: President's budget message. The President said:

In a message on housing and urban development, I will present my proposals for further extension of the Federal-local-private partnership in meeting city problems. Revitalized Federal leadership through a new Department of Housing and Urban Development will be coupled with increased emphasis on comprehensive local planning.

March 2, 1965: President's message on problems and future of the central city and its suburbs. The President said:

To give greater force and effectiveness to our effort in the cities I ask the Congress to establish a Department of Housing and Urban Development.

Our urban problems are of a scope and magnitude that demand representation at the highest level of Government. The Housing and Home Finance Agency was created two decades ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well.

March 23, 1965: Director of the Bureau of the Budget forwards to Speaker John W. McCormack draft bill to establish a Department of Housing and Urban Development.

April 5, 1965: Hearings on H.R. 6927 and companion bills begun by Subcommittee on Executive and Legislative Reorganization of the House Committee on Government Operations.

May 5, 1965: H.R. 6927 ordered reported with favorable recommendation by House Committee on Government Operations.

H.R. 6927, AS INTRODUCED ²

DETAILED SECTION-BY-SECTION SUMMARY OF A BILL TO ESTABLISH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Short title

Section 1 provides that the act would be cited as the Department of Housing and Urban Development Act.

Declaration of purpose

Section 2 sets forth the purpose of the bill and that the Congress finds that establishment of an executive department is desirable to carry out the purpose.

Congress would declare that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban committee and metropolitan areas in which the vast majority of its people live and work.

To carry out the purpose, Congress would find that establishment of an executive department is desirable to (1) achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; (2) assist the President in achieving maximum coordination of Federal activities which have a major effect upon urban, suburban, or metropolitan development; (3) encourage the solution of problems of housing and urban development through State, county, town, village, or other local and private action (including promotion of interstate, regional, and metropolitan cooperation); and (4) provide for full consideration, at the national level, of the needs and interests of the Nation's communities and their people.

Establishment of Department—Responsibilities of the Secretary

Section 3(a) establishes the Department of Housing and Urban Development and provides that it would be headed by a Secretary of Housing and Urban Development, who would be appointed by the President with Senate confirmation.

The Department would be administered under the supervision and direction of the Secretary. The Secretary would receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. (At present, under sec. 303(a) of the Federal Executive Salary Act of 1964, the Secretaries of departments receive \$35,000 per annum.)

Section 3(b) directs the Secretary, among his other responsibilities, to advise the President with respect to Federal programs and activities relating to housing and urban development; to develop and recommend to the President policies for fostering the orderly growth and

²See committee amendment and explanation.

development of the Nation's urban areas; exercise leadership at the discretion of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information (including a clearinghouse service) to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and local urban development activities; and to conduct continuing studies of housing and urban development problems.

Section 3(c) provides that nothing in the bill shall be construed to deny or limit the benefits of any program, function, or activity to any community on the basis of its population or corporate status, except as may be expressly provided by law.

Under Secretary and other officers

Section 4(a) provides that there shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, all of whom would be appointed by the President and confirmed by the Senate. These officers would perform the functions, powers, and duties prescribed by the Secretary. They would receive the same compensation as the Under Secretaries, Assistant Secretaries, and General Counsels of other departments. (At present, under sec. 303(c) of the Federal Executive Salary Act of 1964, Under Secretaries receive \$28,500 per annum, and under sec. 303 (d) of that act, Assistant Secretaries and General Counsels receive \$27,000 per annum.)

Section 4(b) provides that there shall be in the Department an Assistant Secretary for Administration who would be appointed by the Secretary with the approval of the President. The Assistant Secretary would receive the same compensation as is provided by law for Assistant Secretaries for Administration of executive departments (\$26,000 per annum). He would perform the functions, powers, and duties prescribed by the Secretary.

Transfers to Department

Section 5(a) transfers to the Secretary all the functions, powers and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration, and the functions, powers and duties of the heads and other officers and officers of those agencies.

Section 5(b) transfers the Federal National Mortgage Association, together with its functions, powers, and duties, to the Department. The Secretary of the Department would be vested with the functions, powers, and duties of the Housing and Home Finance Administrator with regard to FNMA. The Secretary would therefore become the Chairman of the Board of Directors of FNMA. FNMA would be an entity within the Department, and the rights and interests of the owners of outstanding common stock issued under the FNMA Charter Act would not be affected by the transfer.

Section 5(b) would also repeal language in section 308 of the FNMA Charter Act (12 U.S.C. 1723), which was superseded by a subsequent provision in the Federal Executive Salary Act of 1964. Section 308 provided that the President of FNMA received compensation at the rate established for the heads of the constituents of the Housing and Home Finance Agency. The Federal Executive Salary Act of 1964

listed the salary for the President of FNMA separately. Under the provisions of section 5(b) of the bill the separate listing in the salary act would be repealed, and the President of FNMA would be one of the six positions provided in section 7(c) of the bill with compensation at the annual rate applicable to level V of the Federal executive salary schedule provided by the Executive Salary Act of 1964 (\$26,000).

Conforming Amendments

Section 6(a) would amend section 19(d)(1) of title 3 of the United States Code to place both the Secretary of Health, Education, and Welfare, and the Secretary of Housing and Urban Development in the line of succession to the Office of the President of the United States. They would be eligible to act as President only if the Vice President, Speaker of the House, President pro tempore of the Senate, and the heads of other executive departments having precedence over them by law are unable to serve as President.

Sections 6(b) and 6(c) are technical provisions which would extend to the new Department the provisions of title IV of the Revised Statutes, except to the extent inconsistent with the bill. Those provisions deal with such matters as departmental vacancies, regulations, duties of clerks, details and employment of personnel, oaths, subpoenas, and witness fees.

Administrative provisions

Section 7(a) provides that all the personnel, liabilities, and resources, including funds, property, and records available in connection with the functions transferred by section 5 to the Department, are transferred with the respective functions.

Section 7(b) provides that no transfers of functions may be made within the Department with respect to the secondary market operations of the Federal National Mortgage Association unless the Secretary finds such transfers would not adversely affect the rights and interests of the owners of FNMA common stock.

Section 7(c) would authorize the Secretary to appoint and fix the compensation of Department personnel and prescribe their duties. The law applicable to the Federal civil service would apply to employees of the Department. The Secretary further would be authorized to fix the compensation for not more than six positions at the annual rate applicable to positions in level V of the Federal executive salary schedule provided by the 1964 Executive Salary Act (\$26,000).

Section 7(d) permits the Secretary to delegate any of his functions to such officers and employees of the Department as he may designate and to authorize successive redelegations of functions he has delegated. The Secretary is also authorized to prescribe necessary rules and regulations. This subsection repeals a portion of section 101(c) of the Housing Act of 1949, as amended (42 U.S.C. 1451(c)), so that the Secretary could delegate or redelegate authority to (1) approve the workable program of a locality for dealing with its overall problems of slum and blight, (2) certify that Federal assistance to urban renewal work enumerated under section 101(c) may be made available to a community, and (3) determine that the relocation requirements of section 105(c) of the Housing Act of 1949 have been met.

Section 7(e) authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed \$100 per diem for individuals.

Section 7(f) authorizes the Secretary to establish a working capital fund, similar to those in other departments, for operating various common administrative services in the Department such as supply, messenger, mail, telephone, space, library, and reproduction services. The revolving fund would be financed through appropriations, and charges against the agencies and offices in the Department for which services are performed.

Section 7(g) directs the Secretary to have a Department seal made and provides for judicial notice of the seal.

Annual report

Section 8 requires the Secretary to make an annual report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

Savings provisions

Section 9(a) would provide that no cause of action by or against any agency or officer whose functions are transferred by the bill would abate by reason of the new act, and that such causes of action could be asserted by or against the United States or any appropriate official of the new Department.

Section 9(b) provides that any pending litigation or other proceeding by or against any agency or officer whose functions are transferred by the bill would not abate by reason of the new act, and also provides for appropriate substitution of successor parties.

Section 9(c) provides that, except as expressly provided in the bill, all powers and authorities otherwise existing would not be affected by the bill. All rules, regulations, and orders issued under applicable law prior to the effective date of the bill would continue in effect unless modified or rescinded by the Secretary or other legally authorized officer or office of the Department. References in other Federal laws to the Housing and Home Finance Agency, or to any officers, office, or agency therein, except the FNMA and its officers, would be deemed to mean the Secretary. This subsection also provides that the positions and agencies (HHFA, FHA, and PHA, and their heads and officers) transferred under section 5(a) of the bill would lapse.

Separability

Section 10 provides a standard separability clause.

Effective date and interim appointments

Section 11(a) provides that the act would take effect 60 days from the date of its approval, or on such earlier date as the President may specify. However, in the interim, and any time after approval of the act, the President could nominate and the Senate could confirm the Department's officers. The Assistant Secretary for Administration could also be appointed during the interim period by the Secretary with the approval of the President. Such officers would not enter on duty until the act takes effect generally.

Section 11(b) makes provision for designation by the President of interim officers, as may be necessary, for a 60-day period immediately after the effective date of the act.

LETTER FROM THE DIRECTOR OF THE BUREAU OF THE BUDGET TO
SPEAKER JOHN W. McCORMACK TRANSMITTING DRAFT BILL TO
ESTABLISH DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Executive communication No. 791]

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 23, 1965.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is forwarded herewith a draft of a bill to establish a Department of Housing and Urban Development, and for other purposes.

The bill would carry out the President's recommendation in various messages to the Congress, most recently in his message of March 2, 1965, on "Problems and Future of the Central City and Its Suburbs," that a Department of Housing and Urban Development be created "to give greater force and effectiveness to our effort in the cities." In his message of March 2, the President stated:

"Our urban problems are of a scope and magnitude that demand representation at the highest level of Government. The Housing and Home Finance Agency was created two decades ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of Government as well."

This proposal in most respects is identical to legislation advanced by the administration during the 88th Congress. In addition to certain technical amendments, it is proposed that the name of the Department be changed to the Department of Housing and Urban Development so as to describe its functions more accurately.

The proposal to establish a Department of Housing and Urban Development has as its major purpose the recognition of the importance of good housing and sound urban development to the social and economic development of the Nation. The creation of the new Department will strengthen the administration of those housing and community development programs now administered within the Housing and Home Finance Agency and provide a central mechanism for assisting the President in his task of coordinating all Federal programs affecting housing and urban development.

Section 2 of the bill provides in a "declaration of purpose" that the establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development; to encourage the solution of problems of housing and urban develop-

ment through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

To further this purpose, the bill establishes the Department of Housing and Urban Development, headed by a Secretary appointed by the President by and with the advice and consent of the Senate. An Under Secretary, four Assistant Secretaries, a General Counsel, and an Assistant Secretary for Administration are provided to assist the Secretary in the performance of his duties.

Specifically, the Secretary is directed to (1) advise the President with respect to Federal programs and activities relating to housing and urban development; (2) develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; (3) exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; (4) provide technical assistance and information including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; (5) encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities; and (6) conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

The functions, powers, and duties of the Housing and Home Finance Agency, including the Federal Housing Administration and the Public Housing Administration, and their heads and officers, would be transferred to and vested in the Secretary along with the personnel, property, funds, and other resources of those agencies. The positions and agencies heretofore established by law in connection with the functions, powers, and duties thus transferred would lapse. The Federal National Mortgage Association would be transferred intact to the Department, and the Secretary would assume those authorities with respect to the Association which are now held by the Housing and Home Finance Administrator. Safeguards are provided to protect the interests of holders of capital stock of the Federal National Mortgage Association.

Provisions for the internal administration of the Department conform to those of most other executive departments and will enable the Secretary to administer the complex but closely interrelated programs under his direction in a well-balanced, coordinated, and efficient manner. Thus, he is given, subject to civil service laws and regulations, authority to appoint such officers and employees as are necessary and to delegate his powers among them as he sees fit for the most efficient functioning of the Department.

The Bureau of the Budget urges early and favorable consideration of the proposed legislation.

Sincerely,

KERMIT GORDON, *Director*.

A BILL To establish a Department of Housing and Urban Development, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development; to encourage the solution of problems of housing and urban development through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban develop-

ment; provide technical assistance and information including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities, and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other

actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

EXCERPTS FROM MESSAGE FROM THE PRESIDENT OF THE
UNITED STATES RELATIVE TO THE PROBLEMS AND
FUTURE OF THE CENTRAL CITY AND ITS SUBURBS

To the Congress of the United States:

Throughout man's history, the city ³ has been at the center of civilization. It is at the center of our own society.

Over 70 percent of our population—135 million Americans—live in urban areas. A half century from now 320 million of our 400 million Americans will live in such areas. And our largest cities will receive the greatest impact of growth.

Numbers alone do not make this an urban nation. Finance and culture, commerce and government make their home in the city and draw their vitality from it. Within the borders of our urban centers can be found the most impressive achievements of man's skill and the highest expressions of man's spirit, as well as the worst examples of degradation and cruelty and misery to be found in modern America.

The city is not an assembly of shops and buildings. It is not a collection of goods and services. It is a community for the enrichment of the life of man. It is a place for the satisfaction of man's most urgent needs and his highest aspirations. It is an instrument for the advance of civilization. Our task is to put the highest concerns of our people at the center of urban growth and activity. It is to create and preserve the sense of community with others which gives us significance and security, a sense of belonging and of sharing in the common life.

Aristotle said: "Men come together in cities in order to live. They remain together in order to live the good life."

The modern city can be the most ruthless enemy of the good life, or it can be its servant. The choice is up to this generation of Americans. For this is truly the time of decision for the American city.

* * *

In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.

Between today and the year 2000, more than 80 percent of our population increase will occur in urban areas. During the next 15 years, 30 million people will be added to our cities—equivalent to the combined population of New York, Chicago, Los Angeles, Philadelphia, Detroit, and Baltimore. Each year, in the coming generation, we will add the equivalent of 15 cities of 200,000 each.

Already old cities are tending to combine into huge clusters. The strip of land from southern New Hampshire to northern Virginia contains 21 percent of America's population in 1.8 percent of its areas. Along the west coast, the Great Lakes, and the Gulf of Mexico, other urban giants are merging and growing.

³ In this message the word "city" is used to mean the entire urban area—the central city and its suburbs.

Our new city dwellers will need homes and schools and public services. By 1975 we will need over 2 million new homes a year. We will need schools for 10 million additional children, welfare and health facilities for 5 million more people over the age of 60, transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

In the remainder of this century—in less than 40 years—urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

Yet these new overwhelming pressures are being visited upon cities already in distress. We have over 9 million homes, most of them in cities, which are run down or deteriorating; over 4 million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million acres a year. The old, the poor, the discriminated against are increasingly concentrated in central city ghettos; while others move to the suburbs leaving the central city to battle against immense odds.

Physical decay, from obsolescent schools to polluted water and air, helps breed social decay. It casts a pall of ugliness and despair on the spirits of the people, and this is reflected in rising crime rates, school dropouts, delinquency, and social disorganization.

Our cities are making a valiant effort to combat the mounting dangers to the good life. Between 1954 and 1963, per capita municipal tax revenues increased by 43 percent and local government indebtedness increased by 119 percent. City officials with inadequate resources, limited authority, too few trained people, and often with too little public support, have, in many cases, waged a heroic battle to improve the life of the people they serve.

But we must do far more as a nation if we are to deal effectively with one of the most critical domestic problems of the United States.

Let us be clear about the core of this problem. The problem is people and the quality of the lives they lead. We want to build not just housing units, but neighborhoods; not just to construct schools, but to educate children; not just to raise income, but to create beauty and end the poisoning of our environment. We must extend the range of choices available to all our people so that all, and not just the fortunate, can have access to decent homes and schools, to recreation, and to culture. We must work to overcome the forces which divide our people and erode the vitality which comes from the partnership of those with diverse incomes and interests and backgrounds.

The problems of the city are problems of housing and education. They involve increasing employment and ending poverty. They call for beauty and nature, recreation, and an end to racial discrimination. They are, in large measure, the problems of American society itself. They call for a generosity of vision, a breadth of approach, a magnitude of effort which we have not yet brought to bear on the American city.

Whatever the scale of its programs, the Federal Government will only be able to do a small part of what is required. The vast bulk of resources and energy, of talent and toil, will have to come from State and local governments, private interests, and individual citizens. But the Federal Government does have a responsibility. It must help to meet the most urgent national needs; in housing, in education, in health, and in many other areas. It must also be sure that its efforts serve as a catalyst and as a lever to help and guide State and local governments toward meeting their problems.

We must also recognize that this message, and the program it proposes, does not fully meet the problems of the city. In part, this is because many other programs, such as those for education and health, are dealt with separately. But it is also because we do not have all the answers. In the last few years there has been an enormous growth of interest and knowledge and intellectual ferment. We need more thought and wisdom and knowledge as we painfully struggle to identify the ills, the dangers, and the cures for the American city. We need to reshape, at every level of government, our approach to problems which are often different than we thought and larger than we had imagined.

I want to begin that process today.

We begin with the awareness that the city, possessed of its own inexorable vitality, has ignored the classic jurisdictions of municipalities and counties and States. That organic unit we call the city spreads across the countryside, enveloping towns, building vast new suburbs, destroying trees and streams. Access to suburbs, has changed the character of the central city. The jobs and income of suburbanites may depend upon the opportunities for work and learning offered by the central city. Polluted air and water do not respect the jurisdictions of mayors and city councils, or even of Governors. Wealthy suburbs often form an enclave whereby the well to do and the talented can escape from the problems of their neighbors, thus impoverishing the ability of the city to deal with its problems.

The interests and needs of many of the communities which make up the modern city often seem to be in conflict, but they all have an overriding interest in improving the quality of life of their people, and they have an overriding interest in enriching the quality of American civilization. These interests will only be served by looking at the metropolitan area as a whole and planning and working for its development.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

To give greater force and effectiveness to our effort in the cities *I ask the Congress to establish a Department of Housing and Urban Development.*

Our urban problems are of a scope and magnitude that demand representation at the highest level of government. The Housing and Home Finance Agency was created two decades ago. It has taken on many new programs. Others are proposed in this message. Much of our hopes for American progress will depend on the effectiveness with which these programs are carried forward. These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well.

The new department will consist of all the present programs of HHFA. In addition, it will be primarily responsible for Federal participation in metropolitan area thinking and planning. This new department will provide a focal point for thought and innovation and imagination about the problems of our cities. It will cooperate with other Federal agencies, including those responsible for programs providing essential education, health, employment, and social services, and it will work to strengthen the constructive relationships between Nation, State, and city—the creative federalism—which is essential to progress. This partnership will demand the leadership of mayors, Governors, and State legislatures.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

SECTION 19(d)(1) OF TITLE 3, UNITED STATES CODE

§ 19. Vacancy in offices of both President and Vice President; officers eligible to act.

* * * * * *

(d)(1) If, by reason of death, resignation, removal from office, inability, or failure to qualify, there is no President pro tempore to act as President under subsection (b) of this section, then the officer of the United States who is highest on the following list, and who is not under disability to discharge the powers and duties of the office of President shall act as President: Secretary of State, Secretary of the Treasury, Secretary of Defense, Attorney General, Postmaster General, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, *Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development.*

* * * * * *

SECTION 158 OF THE REVISED STATUTES

SEC. 158. The provisions of this title shall apply to the following executive departments:

First. The Department of State.

Second. The Department of Defense.

Third. The Department of the Treasury.

Fourth. The Department of Justice.

Fifth. The Post Office Department.

Sixth. The Department of the Interior.

Seventh. The Department of Agriculture.

Eighth. The Department of Commerce.

Ninth. The Department of Labor.

Tenth. The Department of Health, Education, and Welfare.

Eleventh. The Department of Housing and Urban Development.

MINORITY VIEWS OF HON. CLARENCE J. BROWN, HON.
ROBERT P. GRIFFIN, HON. DELBERT L. LATTA, HON.
WILLIAM L. DICKINSON, HON. JOHN N. ERLNBORN,
HON. HOWARD H. CALLAWAY, AND HON. EDWARD J.
GURNEY

H.R. 6927 is unnecessary, will not accomplish what its proponents represent, and is contrary to sound principles of government organization. It should not become law.

H.R. 6927 is virtually identical in its major aspects with H.R. 8429 reported in the 87th Congress by the House Committee on Government Operations. Forty-six bills to create a Department dealing with urban affairs have been referred to the Committee on Government Operations since 1952. With one exception, all such bills have ended up in the limbo of committee files. On August 28, 1961, the committee reported H.R. 8429, a bill to establish a Department of Urban Affairs and Housing. On January 24, 1962, the House Rules Committee by a vote of 9 to 6 declined to grant a rule for the consideration of H.R. 8429. Thereupon the President announced that he would circumvent the traditional legislative process by sending up a reorganization plan to accomplish the same purpose as the bill which the Rules Committee had just killed. In that instance—the only time the issue has come to a House vote—Reorganization Plan No. 1 of 1962, which would have created a Department of Urban Affairs and Housing and which embodied the essential elements of H.R. 8429 of the 87th Congress, was rejected by a 264-to-150 vote on February 21, 1962. If the arguments we are hearing today sound familiar it is because we are dealing with essentially the same proposal. H.R. 8429 of the 87th Congress has been dusted off and, stripped of certain language defining urban areas and urban communities and directing consideration to the special problems of small towns and communities, is before us today as H.R. 6927. The arguments made against H.R. 8429 of the 87th Congress and Reorganization Plan No. 1 of 1962 are no less compelling today and apply with equal force to H.R. 6927.

BACKGROUND

This bill is another manifestation of the perennial urge to classify problems as having outstripped the capacity of State and local governments and to create new Federal departments to solve them. In the last five Congresses (85th, 86th, 87th, 88th, and 89th), the Committee on Government Operations has had before it scores of bills to create new Government departments. These bills would have created—

A Department of Mineral Resources.

A Department of Public Information

A Department of Public Relations.

A Department of Rural and Suburban Government.

A Department of Small Towns and Rural Affairs.
 A Department of Transportation and Communications.
 A Department of Urban Affairs.
 A Department of Urban Affairs and Housing.
 A Department of Housing and Urban Development.
 A Department of Housing and Community Development.
 A Department of Urbiculture.
 A Department of Aeronautics and Space.
 A Department of Consumers.
 A Department of Peace.
 A Department of Science and Technology.
 A Department of Veterans' Affairs.
 A Department of Civil Defense.
 A Department of General Services.
 A Department of Science.
 A Department of Education.
 A Department of Health.
 A Department of Foreign Affairs.

There is no magic in the establishment of a new bureaucracy in Washington that will in itself help anybody solve local problems. New departments can be created and more money can be spent, but the problems can remain unsolved.

According to the Joint Congressional Committee on Reduction of Nonessential Federal Expenditures, civilian employment in Government increased 6,457 in the month of March alone to a total of 2,466,052.¹

The mushrooming tendency of a new department is attested to by the development of the latest one, the Department of Health, Education, and Welfare, which came into being on April 11, 1953, by virtue of Public Law 13, 83d Congress.

The average number of employees in the Department has grown from 36,613 in fiscal year 1953, when it was established, to 83,928 in March of 1965.² Appropriations have increased correspondingly from \$1,987.8 million in fiscal year 1953 to \$6,985.7 million in fiscal year 1965.³ The budget estimate for 1966 is roughly a billion dollars more than that, not including the more than \$3 billion in probable supplemental appropriations.

Unquestionably, big government has a tendency to get bigger. Yet the subcommittee was blandly assured by Elmer B. Staats, Deputy Director, Bureau of the Budget, that—⁴

In fact, as we would now visualize it, there would be some saving in * * * personnel and reduction of salary costs that would amount to about \$50,000 a year. So that, even though we are setting up Assistant Secretaries here, we and the agency have reviewed the organization, and it is our combined judgment that we could save in salary costs for identifiable jobs, about \$50,000 a year.

¹ Additional report of the Joint Committee on Reduction of Nonessential Expenditures, Congress of the United States, Senate Committee Print No. 254, 89th Cong., 1st sess.

² Ibid.

³ Congressional Record, May 4, 1965, p. 9042, et seq.

⁴ Hearings before a subcommittee of the Committee on Government Operations, 89th Cong., 1st sess., Department of Housing and Urban Development, H.R. 6654, etc., Apr. 5 and 6, 1965, p. 22.

WHAT THE BILL DOES

Sections 3 and 4 of the bill would establish a new executive department, the Department of Housing and Urban Development to be headed by a Secretary appointed by the President with Senate confirmation, and provide for an Under Secretary, four Assistant Secretaries, a General Counsel and an Administrative Assistant Secretary to perform duties prescribed by the Secretary.

Section 5 of the bill transfers to the Secretary the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration, and the functions, powers and duties of the heads and other officers and offices of those agencies. It also transfers to the Department as an entity the Federal National Mortgage Association, together with its functions, powers, and duties. The Secretary of the Department would be vested with the functions, powers, and duties of the Housing and Home Finance Administrator with regard to the Federal National Mortgage Association. The Secretary would, therefore, become the Chairman of the Board of Directors of the Federal National Mortgage Association. Statutory powers with respect to the programs of the Community Facilities Administration and the Urban Renewal Administration are now vested in the Housing and Home Finance Administrator and the Administrator's functions would be transferred intact to the Secretary.

In other words, the bill provides for no new functions. It merely elevates the Housing and Home Finance Agency to Cabinet status. However, the bill makes no provision for the continuation of the Federal Housing Administration. An amendment designed to make adequate provision for the continuation of this vital and effective agency which has done so much to provide improved housing and better communities for all Americans was defeated in committee. The proposed amendment follows:

Amend section 5(a) by deleting the words "The Federal Housing Administration and".

Add at the end of section 5 a new section 5(c) to read:

"5. (c) There is hereby transferred to the Department the Federal Housing Administration, its offices and employees, its insurance funds, assets, liabilities, contracts, property, records, and obligations, together with all functions and powers of the Federal Housing Administration which are hereby vested in, and shall be exercised by a Presidentially appointed Federal Housing Commissioner under the supervision and direction of the Secretary."

The amendment that was adopted in committee is completely innocuous and adds nothing to the bill. The only emphasis on housing in H.R. 6927 that was not in H.R. 8429 is presumably achieved by the rearrangement of the title.

WHAT THE BILL DOES NOT DO

The bill creates neither a Cabinet-level Department to administer the principal programs of the Federal Government which provide assistance for housing nor a Cabinet-level Department to coordinate the Federal programs geared to the needs of urban communities.

Yet the "urban affairs" people think they are getting a Department of Urban Affairs and the "housing" people think they are getting a Department of Housing. The bill seems to be all things to all people.

Less than one-third of the Federal Government's housing activities would be encompassed in the new Department. The Veterans' Administration and the Federal Home Loan Bank Board will continue in their autonomous status. They account for more than two-thirds of the housing financing activities engaged in by, or under the auspices of, the Federal Government.

Clearly the bill would not create a Cabinet-level Department for housing notwithstanding the primary recognition of housing in the title.

Proponents of establishing a Department of Housing and Urban Development have argued that metropolitan areas have been growing and will continue to grow very rapidly, that they are beset with stupendous problems of shelter, transportation, education and recreation, crime (including juvenile delinquency), racial discrimination, narcotics addiction, air and water pollution, open space, etc.; that municipalities and States find themselves unable to cope with these problems and that therefore a Department of Housing and Urban Development, headed by a Secretary who is a member of the President's Cabinet, is urgently required.

This argument has led many to believe that the establishment of a Department of Housing and Urban Development under a Secretary of Cabinet rank as proposed by H.R. 6927 would solve pressing metropolitan problems, that a vote for the bill is a vote for helping municipalities, and that a vote against the bill is a vote to injure metropolitan areas.

It is hard to imagine a more preposterous misrepresentation.

The proposed new reorganization would accomplish nothing.

Every power the new Secretary or his Department would possess is already possessed by and vested in a functioning organization, the Housing and Home Finance Agency and its Administrator.

A multitude of Federal functions useful to metropolitan areas in meeting many of their problems will remain where they are now and will in no way be affected by the reorganization plan. The Bureau of Public Roads administering the Federal highway program affecting access to municipalities and expressways through municipalities as well as city streets will stay right in the Department of Commerce where it is now.

Water pollution or sewage disposal programs will remain under the jurisdiction of the Department of Health, Education, and Welfare, where they now are.

Vocational education funds, social security activities, welfare activities, disposal of surplus Federal properties to schools and hospitals and other municipal entities, Hill-Burton funds, activities designed to promote public health, all will remain right where they are now.

These and other programs will in no way be affected by the establishment of a Department of Housing and Urban Development, which at best would have jurisdiction over only a minor fraction of Federal activities and funds aimed at assisting States and municipalities to solve metropolitan problems. The more than 40 separate programs of financial aid for urban development involve some 13 departments and agencies.⁵

⁵ Sixth Annual Report, Advisory Commission on Intergovernmental Relations, Jan. 31, 1965, p. 15.

STATURE, PRESTIGE, AND STATUS

Proponents concede that no new powers are vested in a new Department or its Secretary by the bill. They argue, however, that in section 5, which would transfer certain functions to the Secretary, they have augmented the power of the head of the agency over its constituent agencies and have thus, by centralizing authority, made possible a more efficient and effective discharge of responsibilities than is now possible by the Administrator of the Housing and Home Finance Agency.

The record of our hearings discloses clearly that even this purported advantage, if indeed it is an advantage, is illusory. The Housing and Home Finance Administrator, by Reorganization Plan No. 3 of 1947, was given supervisory control over constituent agencies, such as the Federal Housing Administration, the Public Housing Administration, the Federal National Mortgage Association; moreover, by a rider on the independent offices appropriations bill of 1955, that supervisory controlling authority was spelled out to include the assignment of functions, reorganization, and transfer of administrative funds and responsibilities vesting full and complete authority in the administrator to manage the operations of the Housing and Home Finance Agency and its constituent agencies efficiently and economically. This rider reads as follows:

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Salaries and expenses: For necessary expenses of the Office of the Administrator * * * including, additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency, and the Administrator's general supervision and coordination responsibilities under Reorganization Plan Number 3 of 1947 shall hereafter carry full authority to assign and reassign functions, to reorganize and to make whatever changes, including the reallocation and transfer of administrative expense funds and authority where applicable, necessary to promote economy, efficiency and fidelity in the operations of the Housing and Home Finance Agency: * * *.

Accordingly, the only possible effect of adoption of this bill would be to elevate an existing, functioning agency, the Housing and Home Finance Agency, to the status of a department of the Government and to elevate the Administrator of that Agency to Cabinet rank.

Proponents of the plan argue that this stature, prestige, or status, even though there is no new power, authority, or funds, will somehow magically enable the Administrator to be more effective in exercising the existing functions of the Housing and Home Finance Agency and its constituent agencies and therefore able to grapple effectively with metropolitan problems.

Among the witnesses who have supported the bill are some who represent interests having business with the Housing and Home Finance Agency and constituent agencies. They have testified that they enjoyed the best relations with the Housing and Home Finance

Agency and had no difficulty doing business with them. Another witness who opposed the bill testified:⁶

I have been working on housing legislation since 1946, and I have been in contact with every Administrator of the Housing and Home Finance Agency from Raymond Foley down to the present one, and I have never seen one who had such control, operational direction and control, down to the very lowest echelon of these constituent agencies, as Dr. Weaver. He is a very able, brilliant man, and he is exercising the same powers that all of his predecessors had. But he exercises them in a much more able manner. I don't think that being a Secretary of Housing and Urban Development would give him any more control over the constituent agencies than he exercises at the present time.

Apparently the Federal Government is doing its job in this area without a Cabinet-level Administrator.

There is no reliable yardstick to measure the value of prestige in the execution of authority. It is a matter of opinion—its effect may be negligible or nonexistent, or it may be substantial. It is difficult to prove that independent agencies such as the General Services Administration, the Veterans' Administration, the Atomic Energy Commission, the Small Business Administration, the Central Intelligence Agency, or the Housing and Home Finance Agency, have been unable to discharge their important functions simply because the heads of those agencies did not enjoy Cabinet rank.

PERMANENCE OF THE FEDERAL ROLE IN COMMUNITY DEVELOPMENT

It would seem to be basic that an activity of the Federal Government should not be frozen into the governmental structure by making it a Department unless it has been established by the Congress as a permanent Federal activity of indefinite duration. This is not the case with housing.

Construction by its very nature has a termination date. Buildings get finished. It is true, of course, that with the massive migration into our metropolitan areas, housing shortages, slum clearance, mass transit problems, and other metropolitan needs which the Housing and Home Finance Agency and its constituent agencies are designed to alleviate may reasonably be anticipated to be with us for some time to come. Yet no one can foresee future developments. No one can be sure that these municipal problems and needs may not be met in such a fashion as to diminish the need for Federal assistance, or that alternative ways of meeting these problems may not be found. Whether this be true or not, Congress has seen fit in adopting housing legislation to fix terminal dates when the authority created by the statute would expire.

This bill would create a Department of Housing and Urban Development out of the Housing and Home Finance Agency and constituent agencies which the Congress has not established as permanent entities of the Federal Government. The authority of most of the constituent agencies is limited or temporary. Either dollar limits or

⁶ Hearings before a subcommittee of the Committee on Government Operations, 89th Cong., 1st sess., Department of Housing and Urban Development, H.R. 6654, etc., Apr. 5 and 6, 1965, p. 144.

specific expiration dates are expressly provided in statutes creating their powers and functions.

For example, the Federal National Mortgage Association, under its charter act, provides a means for the transfer of its secondary market operations to private ownership. Common stock of the Federal National Mortgage Association worth \$92 million is held by private individuals.

The Public Housing Administration was given 100,000 additional units by the Housing Act of 1961 and according to the chairman of the Senate Housing Subcommittee during the debate on the housing bill this was to launch a phasing out of the program. In addition the Congress authorized a \$5 million demonstration grant program to find new ways to house low-income families. One of the methods to be studied involves direct subsidies to low-income families. The Department of Health, Education, and Welfare which now handles public assistance programs would be a more appropriate vehicle for the disbursement of shelter subsidies to tenants.

The Federal Housing Administration was extended for 4 years in the Housing Act of 1961. In the current housing bill an additional 4-year extension is proposed.

The fourth and remaining major program in the Housing and Home Finance Agency complex relates to the Urban Renewal Administration. This agency was given contractual authority for an additional \$2 billion under the 1961 act, and an additional \$2.9 billion for another 4-year period is proposed in the current bill. While it is conjectural how long the Federal Government will continue this program, certainly there is insufficient evidence that it is permanent enough to justify creation of a new executive department.

It is conceivable that in another decade we may find that we have established a permanent Department of the Government, headed by a Secretary, having an Under Secretary, Assistant Secretaries, General Counsel, and all the trappings of a bureaucracy but with no powers or duties. Congress may have permitted the authority of the constituent agencies to expire, finding that the Federal assistance had accomplished its purpose and was no longer needed, or had established alternative mechanisms for dealing with housing problems. The Department would still be there and all the high brass therein would be drawing their salaries, but with nothing to do.

Be that as it may, it is basically unsound administration to convert agencies, which by their terms are temporary, into a permanent Department.

REPRESENTATION BY NONELECTIVE OFFICIALS

There seems to be an argument about numbers, that since the vast majority of our people live in the urban areas of our country, they have some moral claim to representation at the Cabinet level. This concept is out of harmony with the existing departments of Government which, along with Federal agencies, are organized by function and not by geographic and political divisions. This would be the first time that a Cabinet-rank department was created to serve people on the basis of where they live. The argument that more and more of our people live in urban areas is not a justification to create a separate executive department for them.

The President and his Cabinet serve all the people—urban and rural. The Secretary of Agriculture serves urban dwellers in his concern with marketing and consumer interests. Commerce, Labor, Interior, all are concerned with matters which affect people in urban areas. All of our executive departments are created on a functional basis and are concerned with all the people.

FEDERAL ENCROACHMENT ON STATES AND MUNICIPALITIES

There is a real fear that establishing a permanent Department of Housing and Urban Development may siphon away from States and municipalities some of the governmental authority that they now enjoy in meeting and deciding, on the basis of the wishes of the residents of the community through their elected representatives, the nature of the communities and the environments in which they live.

Proponents of H.R. 6927 assert that this fear is a captious one; that no new authority will exist in the new Department of Housing and Urban Development which does not already exist in the Housing and Home Finance Agency and that therefore there will be no erosion of State and local responsibility or diminution of their powers. That certainly is true at the present time.

However, proponents of legislation to create the new Department have already indicated their hopes and plans to augment it by pirating functions away from other departments and by instituting new Federal programs.

Although the language of the bill is explicit as far as transferring functions from the Housing and Home Finance Agency is concerned, the declaration of purpose is broad enough to encompass all "interests of the Nation's communities and of the people who live and work in them."

Protestations to the contrary notwithstanding, the ultimate result of H.R. 6927, in our opinion, would be a Department for Urban Affairs with the insuring of home mortgages only an incidental responsibility. What is proposed here is only the skeleton. Congress not only defeated Reorganization Plan No. 1 of 1962 but amended the Reorganization Act of 1949, as amended, so as to prohibit the use of the reorganization authority for the creation of executive departments. Through the creation of a new Department by the passage of this bill, the President would be enabled to use the reorganization plan method later to expand it to create a Department of Urban Affairs.

The implications of recent U.S. Supreme Court decisions with respect to malapportioned State legislatures unresponsive to the needs of growing urban areas should in themselves tip the scales in favor of rejection of H.R. 6927. The resulting trend toward urban oriented and dominated legislatures should remove one of the major reasons for Federal involvement in such State affairs as public welfare, housing, mass transit, and the like.

To say that the bill merely conveys status to the present Housing and Home Finance Agency without transferring any functions in or out of the Agency only describes the first step of the long-range strategy—a strategy apparently designed to bring the solution of the day-to-day problems of community life under the direction of centralized government.

Bureaucracies once established have a way of growing not only in size but in power. That is especially true with bureaucracies which handle vast sums of public funds. It may well be that the new Secretary of Housing and Urban Development may never be granted any constitutional power by the Congress to direct the affairs of a municipality. But it would be naive for anyone to suppose that conditions and criteria would not be established in the dispensation of loans and grants for municipal purposes which might induce hungry local officials, outbid in the taxation of the people by the huge take of the Federal Government, to surrender some of their autonomy and self-determination in exchange for Uncle Sam's largesse.

Money is power, and whatever may be said of the present Administrator, no one can be certain that some future housing czar will have the fortitude to oppose Parkinson's law and refrain from establishing a nationwide pattern for community development.

CLARENCE J. BROWN.
ROBERT P. GRIFFIN.
DELBERT L. LATTI.
WILLIAM L. DICKINSON.
JOHN N. ERLNBORN.
HOWARD H. CALLAWAY.
EDWARD J. GURNEY.

SEPARATE VIEWS OF HON. FLORENCE P. DWYER, HON.
ROBERT P. GRIFFIN, HON. FRANK J. HORTON, AND
HON. DONALD RUMSFELD

The committee report on H.R. 6927 attempts to justify the establishment of a Cabinet-rank Department of Housing and Urban Development. The minority views of this report set forth a variety of arguments in opposition to H.R. 6927. The following remarks will avoid repetition of arguments which appear in other sections of the report and will outline the case for an entirely different, less costly, less bureaucratic approach—namely, the establishment of an Office of Community Development in the Executive Office of the President, rather than the establishment of the Cabinet-rank Department of Housing and Urban Development.

OFFICE OF COMMUNITY DEVELOPMENT

During this 89th Congress, at least 24 Members of the House have introduced identical bills to establish an Office of Community Development, and 1 Member introduced a similar bill to create an Office of Urban Affairs. The sponsors include—

H.R. 5173, introduced by Hon. Florence P. Dwyer, of New Jersey.
H.R. 6082, introduced by Hon. Frank J. Horton, of New York.
H.R. 6098, introduced by Hon. Garner E. Shriver, of Kansas.
H.R. 6144, introduced by Hon. Charles McC. Mathias, Jr., of Maryland.

H.R. 6151, introduced by Hon. Ed Reinecke, of California.
H.R. 6203, introduced by Hon. John B. Anderson, of Illinois.
H.R. 6204, introduced by Hon. Alphonso Bell, of California.
H.R. 6205, introduced by Hon. Laurence J. Burton, of Utah.
H.R. 6206, introduced by Hon. James C. Cleveland, of New Hampshire.

H.R. 6207, introduced by Hon. Silvio O. Conte, of Massachusetts.
H.R. 6208, introduced by Hon. Robert F. Ellsworth, of Kansas.
H.R. 6209, introduced by Hon. Peter H. B. Frelinghuysen, of New Jersey.

H.R. 6210, introduced by Hon. Charles E. Goodell, of New York.
H.R. 6211, introduced by Hon. Robert P. Griffin, of Michigan.
H.R. 6212, introduced by Hon. James Harvey, of Michigan.
H.R. 6213, introduced by Hon. Robert McClory, of Illinois.
H.R. 6214, introduced by Hon. Clark MacGregor, of Minnesota.
H.R. 6215, introduced by Hon. William S. Mailliard, of California.
H.R. 6216, introduced by Hon. T. Bradford Morse, of Massachusetts.

H.R. 6217, introduced by Hon. Charles A. Mosher, of Ohio.
H.R. 6218, introduced by Hon. Albert H. Quie, of Minnesota.
H.R. 6219, introduced by Hon. Donald Rumsfeld, of Illinois.
H.R. 6220, introduced by Hon. Richard S. Schweiker, of Pennsylvania.

H.R. 6221, introduced by Hon. Henry P. Smith III, of New York.

H.R. 6261, introduced by Hon. Stanley R. Tupper, of Maine.

The introduction of these bills represents a recognition of and concern about the problem of coordinating Federal programs relating to metropolitan development. The need for coordination is not diminishing. If anything, it is considerably greater today due to the enactment in the past 4 years of a multiplicity of Federal programs affecting urban areas.

It would be the function of the Office of Community Development to coordinate all Federal programs which have an impact on our Nation's urban areas. Supporters of this proposal believe that the Office of Community Development would be superior to a Department of Housing and Urban Development for a variety of reasons.

First, it would bring order out of the chaos that we have in the Federal bureaucratic structure, and not just within one agency or group of agencies, but across the board.

Second, it would clearly provide one-stop Federal service for State and local officials and result in a more balanced and reasoned handling of these problems.

Third, it would provide the tools of research and study needed to make meaningful judgments about the allocation of Federal responsibility.

Just as the Office of Science and Technology, rather than a Cabinet-rank Department of Science, was a more reasonable approach to the confusion in Federal programs relating to science, the proposed Office of Community Development is an opportunity to perform a real service for our urban areas.

DISADVANTAGES OF H.R. 6927

The administration bill, H.R. 6927, cannot do the job that needs to be done. Its primary purpose is to elevate the Housing and Home Finance Agency to the status of a Cabinet Department. Certainly, housing is an important part of urban life. However, this proposal ignores the more than 60 other Federal programs relating to urban life. In addition, it would not even touch the two agencies which administer more than half of the Federal effort in housing—the Veterans' Administration and the Federal Home Loan Bank Board. Further, there is more to metropolitan development than housing. The Congress has recognized this fact and enacted and implemented dozens of programs which affect urban areas.

The following is a list of the comparatively few Federal programs which would be under the jurisdiction of the proposed Department of Housing and Urban Development:

LIST OF FEDERAL PROGRAMS WHICH WOULD BE INCLUDED IN H.R. 6927

HOUSING AND HOME FINANCE AGENCY

Community Facilities Administration

Housing for the handicapped.
Community facilities grants and loans.
College housing loans.
Public works planning.
Low-income housing demonstrations.

Office of Transportation

Mass transit.

*Public Housing Administration**Urban Renewal Administration*

Urban renewal.

Open space and land preservation.

Urban planning.

*Federal National Mortgage Association**Federal Housing Administration*

As shown by the listing below, H.R. 6927 ignores all but a few of the many Federal programs relating to urban life.

PARTIAL LIST OF FEDERAL PROGRAMS AFFECTING URBAN
AFFAIRS AND METROPOLITAN ACTIVITIES WHICH ARE NOT
REACHED BY H.R. 6927

AGRICULTURAL DEPARTMENT

Agricultural Marketing Service

Special milk program for children.

School lunch program.

Direct distribution of surplus food.

Food stamp program.

COMMERCE

Area Redevelopment Administration

Public works acceleration.

Public facility grants and loans.

Industrial and commercial loans.

Bureau of Public Roads

Interstate Highway System.

Relocation payments.

Highways.

Community Relations Service

Civil right disagreements.

DEFENSE

Department of the Army

Civil defense.

Flood emergencies.

Flood control land revenue sharing.

Water reservoirs.

Park and recreational facilities.

Beach erosion control and shore protection.

Flood control and prevention.

HEALTH, EDUCATION, AND WELFARE

Office of Education

Civil defense.
Federally affected public schools.
Manpower development and training.
Higher education facilities.
Vocational education—specific fields.
Vocational training.
Sciences, mathematics, and modern foreign languages.
Educational guidance, counseling, and testing.
Educational statistics of State and local governments.
Education of mentally retarded and other handicapped children.
Captioned films for the deaf.
Library services and construction.
Educational research, surveys, and demonstrations.
Educational television, radio, motion pictures and related media.
Student loan funds.
Guidance institutes.
Institutes for advanced study.
Work-study programs.
Adult basic education.
Desegregation of public education.
Basic scientific education grants.
Basic research grants.

Public Health Service

Community mental health centers.
Mental health activities.
Mental retardation facilities.
Community health services.
Community health activities.
Air pollution control and prevention.
Radiological health research and institutional training.
Radiological health.
Waste treatment works construction.
Water pollution control programs.
Occupational health.
Vital statistics.
Health professions education.
Hospital and medical facilities.
Health research facilities construction.
Narcotics.
Nurse training.
Public Health personnel.

Welfare Administration

Public assistance programs.
Training of public welfare personnel.
Child welfare services.
Maternal and child health services.
Crippled children's services.

Juvenile delinquency and youth offenses control.
Teaching materials for the blind.
Work experience programs.
Refugee assistance.

INTERIOR DEPARTMENT

Outdoor Recreation

Outdoor recreation projects.

Bureau of Reclamation

Water reservoirs.
Irrigation.
Water resources research.

LABOR DEPARTMENT

Bureau of Employment

Unemployment compensation.
Employment Service and Unemployment Compensation Administration.

Bureau of Labor Standards

Labor standards.
Work training programs.
Manpower development and training.

FEDERAL AVIATION AGENCY

Airport planning and development.

OFFICE OF ECONOMIC OPPORTUNITY

Community Action

Assistance for migratory agricultural workers.
Community action programs.

Job Corps

Vocational training and basic education.

Obviously, H.R. 6927 would not create a true Department of Housing and Urban Development as its title suggests. It could not accomplish the coordination of existing Federal programs. On the contrary, the almost total lack of jurisdiction over urban programs would seem to doom it to becoming merely another bureaucratic maze which would merely confuse the public, employ the faithful, and further waste taxpayer dollars.

CONCLUSION

1. The proposed Department of Housing and Urban Development cannot do the job. By ignoring some 60 Federal programs concerned with urban metropolitan problems and elevating HHFA to Cabinet

rank, H.R. 6927 cannot hope to achieve coordination, efficiency, or economy.

2. It would be absurd to try to strip all 60 to 70 Federal programs dealing with urban problems from existing departments and to bring them into one giant Federal department.

3. Urban problems cut across Department lines and as urban life grows increasingly complex, more and more of the problems can be expected to cut across these lines. The necessary coordination can be achieved without any increase in Federal control, and without any significant increase in the burgeoning bureaucracy, by an Office of Community Development.

In anticipation of a move to reject H.R. 6927, the proposed Department of Housing and Urban Affairs, and to substitute the bill to create an Office of Community Development, a copy of the substitute bill and a section by section analysis follow:

A BILL To establish in the Executive Office of the President an Office of Community Development

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF OFFICE OF COMMUNITY DEVELOPMENT

SECTION 1. There is hereby established in the Executive Office of the President an office to be known as the Office of Community Development (hereinafter referred to as the "Office"). There shall be in the Office a Director and a Deputy Director to be appointed by the President. The Deputy Director shall perform such duties as the Director may designate, and during the absence or incapacity of the Director or during a vacancy in the office of Director he shall act as Director. The Director shall receive compensation at the rate of \$28,500 per annum, and the Deputy Director shall receive compensation at the rate of \$27,000 per annum.

PERSONNEL AND POWERS OF THE OFFICE

SEC. 2. (a) The Director, with the approval of the President, may appoint in accordance with the civil service laws and the Classification Act of 1949 such additional personnel as he determines to be necessary to carry out the functions of the Office.

(b) In the performance of the functions of the Office, the Director is authorized—

(1) to procure by contract services as provided by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55a), at rates of compensation not exceeding \$50 per diem for the personal services of individuals;

(2) to appoint such advisory committees as he may determine to be necessary for the effective performance of the functions of the Office;

(3) to designate such representatives as he may determine to be necessary or desirable to maintain effective liaison with executive departments and agen-

cies, and departments, agencies, and instrumentalities of the States, which are engaged in activities related to the functions of the Office; and

(4) to use the services, personnel, and facilities of executive departments and agencies and those of State departments, agencies, and instrumentalities, with the consent of such departments, agencies, and instrumentalities, with or without reimbursement therefor.

(c) Upon the request of the Director, each executive agency shall furnish to the Office such information, suggestions, estimates, and statistics as the Director may determine to be necessary or desirable for the performance of the functions of the Office.

(d) Subject to the approval of the President, the Director may—

(1) promulgate such rules and regulations as may be required to carry out the functions of the Office; and

(2) delegate to any other officer or employee of the Office authority for the performance of any duty imposed, or the exercise of any power conferred, upon the Director by this Act.

COORDINATION OF FUNCTIONS

SEC. 3. (a) Subject to the direction of the President, the Director shall take such action as may be appropriate to coordinate the programs of the various departments and agencies of the executive branch which have a major impact upon the Nation's urban areas. Such programs shall include Federal activities relating to housing, urban development and redevelopment, community facilities, highways and transportation facilities, civil defense, water and air pollution, and such other activities as the Director, with the approval of the President, determines relate primarily to urban needs and problems.

(b) In carrying out his functions under this Act, the Director shall (1) establish and maintain close liaison with the departments and agencies referred to in subsection (a), and (2) consult with State and local officials, and with interested business, labor, and other groups, concerning urban problems and needs.

INFORMATION ON COMMUNITY DEVELOPMENT

SEC. 4. The Director shall establish within the Office a Division of Information on Community Development. Through this Division the Director shall compile and make available to State and local officials, and other interested persons, through such means as he determines to be appropriate, information concerning the Federal programs referred to in section 3. The service provided by such Division shall include assistance to State and local officials in relating such programs to specific urban problems or needs.

RESEARCH AND STUDIES

SEC. 5. The Director shall undertake research and studies with a view to determining what changes should be made (1) in the programs referred to in section 3 in order to achieve a more effective coordination of such programs with State and local programs designed to meet urban needs, (2) in the allocation of such programs among the various departments and agencies of the executive branch, and (3) in the administration of such programs in order to achieve increased economy and efficiency, to avoid duplication, and to coordinate more effectively the activities of such departments and agencies in the administration of such programs. The results of such research and studies shall be reported from time to time to the President for such action as he determines to be appropriate.

FEDERAL COMMUNITY DEVELOPMENT COUNCIL

SEC. 6. There shall be in the Office an advisory council, known as the Community Development Council. Members of the Council shall be appointed by the President upon nomination by the Director from among persons with broad experience and interest in urban and related problems, and may include persons outside the Federal service. The following Federal officials are hereby designated as members ex officio of the Council: the Secretary of Labor, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Treasury, the Housing and Home Finance Administrator, and the Administrator of Veterans' Affairs. The President may designate other Federal officials as ex officio members of the Council. Members of the Council shall receive no compensation for their services, but shall be reimbursed for necessary travel and subsistence expenses as provided in the Travel Expense Act of 1949, as amended. The Council shall meet at the call of the Director, but not less than twice a year. The Council shall be concerned with all the urban problems mentioned in this Act, including air and water pollution, transportation, sewage, water supply, and urban renewal.

COMMISSION TO STUDY TRANSFERS OF FUNCTIONS AND INTEGRATION OF ACTIVITIES

SEC. 7. (a)(1) There is hereby established a special commission (referred to in this section as the "Commission") to study the feasibility of making transfers to and from the several departments and agencies mentioned in section 6 of this Act. The Commission shall consist of twelve members appointed by the President from among individuals in private life having substantial knowledge of and experience in housing, urban affairs, mortgage financing, and related fields.

(2) The Commission may employ and pay the compensation of such staff as may be necessary to the performance of its functions.

(3) Members of the Commission shall be compensated at the rate of \$50 a day while actually engaged in the business of the Commission, and shall be paid travel expenses and per diem in lieu of subsistence in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 relating to persons serving without compensation.

(b) The Commission shall conduct a thorough study and investigation of all functions relating to housing and urban affairs which on the date of the enactment of this Act are being performed by departments, agencies, and instrumentalities of the Federal Government, giving particular attention to (1) the distribution of such functions throughout the Government and the effectiveness with which they are being carried out by the departments, agencies, and instrumentalities in which they are respectively vested, and (2) the extent to which further coordination in the performance of such functions, with respect to each other, would serve to increase the overall efficiency and effectiveness of the programs of the United States in the field of housing and urban affairs. Upon the completion of its study and investigation, and in no event later than June 30, 1966, the Commission shall submit a full report thereon to the President together with its findings and recommendations.

(c) The President, after receiving and considering the report of the Commission under subsection (b), shall prepare and submit to the Congress a reorganization plan (or plans) providing for the transfer to or from the Housing and Home Finance Agency, and other departments, agencies, and instrumentalities of the Government, of such additional functions relating to housing and urban affairs as he may deem necessary or appropriate to promote efficiency.

REPORTS TO CONGRESS

SEC. 8. Not later than January 31 of each year, the Director shall submit to the President for transmittal to the Congress a report concerning the activities of the Office during the preceding calendar year.

SECTION-BY-SECTION ANALYSIS OF THE BILL TO CREATE IN THE OFFICE OF THE PRESIDENT AN OFFICE OF COMMUNITY DEVELOPMENT

Section 1. Establishes an Office of Community Development in the Executive Office of the President and provides for a Director and Deputy Director to be appointed by the President.

Section 2. (a) Authorizes the Director, with the approval of the President, to appoint personnel, consistent with the civil service laws and regulations.

(b) Authorizes the Director to procure contract services, appoint advisory committees, designate representatives, maintain liaison with

other departments and agencies and with the States, and to use the services of other agencies and of the States with their consent.

(c) Requires that executive agencies provide information requested by the Director.

(d) Authorizes the Director, subject to the approval of the President, to promulgate rules and regulations and to delegate authority to other employees of the Office.

Section 3. (a) Directs the Office of Community Development to take action to coordinate programs which have a major impact on the Nation's urban areas.

(b) Provides that the Director shall maintain close liaison with other departments and agencies and consult with State and local officials and other interested groups concerning urban problems.

Section 4. Establishes a Division of Information on Community Development within the Office to compile and make available to State and local officials and other interested groups information and assistance regarding Federal programs affecting urban areas.

Section 5. Directs that the Office undertake research and studies to achieve more effective coordination of Federal, State, and local programs to meet urban needs and to improve the administration of the programs to achieve greater efficiency and economy.

Section 6. Provides for the creation of a Community Development Council, composed of the Secretaries of Labor, Commerce, Health, Education, and Welfare, and Treasury, and the Administrators of Housing and Home Finance and Veterans' Affairs, and such other members as the President may designate. Council members are to meet not less than twice a year to discuss the broad range of urban problems and will receive expenses only.

Section 7. (a) Establishes a Commission, composed of 12 members from private life with experience in community development problems, *to study the feasibility of transferring functions to and from relevant agencies*. The Commission is authorized to employ and compensate staff. Its members are to be compensated at the rate of \$50 per day of service and may receive travel and per diem expenses.

(b) Directs the Commission to conduct a thorough study of the distribution of functions relating to housing and urban affairs, the effectiveness of the present distribution and the extent to which further coordination would increase efficiency and effectiveness. The Commission is to report to the President no later than June 30, 1966.

(c) Directs the President to prepare and submit to Congress reorganization plans, based on the Commission's report, to promote efficiency in the administration of programs relating to housing and urban affairs.

Section 8. Directs the Director of the Office of Community Development to submit to the President a report on the activities of the Office by January 31 of each year for transmission to Congress.

FLORENCE P. DWYER.
ROBERT P. GRIFFIN.
FRANK J. HORTON.
DONALD RUMSFELD.



89TH CONGRESS
1ST SESSION

H. R. 6927

[Report No. 337]

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 1965

Mr. FASCELL introduced the following bill; which was referred to the Committee on Government Operations

MAY 11, 1965

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Insert the part printed in italic]

A BILL

To establish a Department of Housing and Urban Development, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Housing
4 and Urban Development Act".

5 DECLARATION OF PURPOSE

6 SEC. 2. The Congress hereby declares that the general
7 welfare and security of the Nation and the health and living
8 standards of our people require, as a matter of national
9 purpose, sound development of the Nation's urban communi-
10 ties and metropolitan areas in which the vast majority of its
11 people live and work.

1 To carry out such purpose, and in recognition of the
2 increasing importance of housing and urban development in
3 our national life, the Congress finds that establishment of an
4 executive department is desirable to achieve the best adminis-
5 tration of the principal programs of the Federal Government
6 which provide assistance for housing and for the development
7 of the Nation's communities; to assist the President in achiev-
8 ing maximum coordination of the various Federal activities
9 which have a major effect upon urban, suburban, or metro-
10 politan development; to encourage the solution of problems
11 of housing and urban development through State, county,
12 town, village, or other local and private action, including
13 promotion of interstate, regional, and metropolitan coopera-
14 tion; and to provide for full and appropriate consideration,
15 at the national level, of the needs and interests of the Nation's
16 communities and of the people who live and work in them.

17 ESTABLISHMENT OF DEPARTMENT

18 SEC. 3. (a) There is hereby established at the seat of
19 government an executive department to be known as the
20 Department of Housing and Urban Development (herein-
21 after referred to as the "Department"). There shall be at
22 the head of the Department a Secretary of Housing and
23 Urban Development (hereinafter referred to as the "Secre-
24 tary"), who shall be appointed by the President, by and
25 with the advice and consent of the Senate. The Department

1 shall be administered under the supervision and direction
2 of the Secretary. The Secretary shall receive compensation
3 at the rate now or hereafter prescribed by law for the heads
4 of executive departments.

5 (b) The Secretary shall, among his responsibilities,
6 advise the President with respect to Federal programs and
7 activities relating to housing and urban development; de-
8 velop and recommend to the President policies for fostering
9 the orderly growth and development of the Nation's urban
10 areas; exercise leadership at the direction of the President in
11 coordinating Federal activities affecting housing and urban
12 development; provide technical assistance and information,
13 including a clearinghouse service to aid State, county, town,
14 village, or other local governments in developing solutions
15 to urban and metropolitan development problems; encourage
16 comprehensive planning by the State and local governments
17 with a view to coordinating Federal, State, and local urban
18 development activities, and conduct continuing comprehen-
19 sive studies, and make available findings, with respect to
20 the problems of housing and urban development.

21 (c) Nothing in this Act shall be construed to deny or
22 limit the benefits of any program, function, or activity as-
23 signed to the Department by this or any other Act to any
24 community on the basis of its population or corporate status,
25 except as may be expressly provided by law.

1 UNDER SECRETARY AND OTHER OFFICERS

2 SEC. 4. (a) There shall be in the Department an Under
3 Secretary, four Assistant Secretaries, and a General Counsel,
4 who shall be appointed by the President by and with the
5 advice and consent of the Senate, who shall receive com-
6 pensation at the rate now or hereafter provided by law for
7 under secretaries, assistant secretaries, and general counsels,
8 respectively, of executive departments, and who shall per-
9 form such functions, powers, and duties as the Secretary
10 shall prescribe from time to time. *One of the Assistant*
11 *Secretaries shall be designated to administer, under the super-*
12 *vision and direction of the Secretary, departmental programs*
13 *relating to the private mortgage market.*

14 (b) There shall be in the Department an Assistant
15 Secretary for Administration, who shall be appointed, with
16 the approval of the President, by the Secretary under the
17 classified civil service, who shall perform such functions,
18 powers, and duties as the Secretary shall prescribe from time
19 to time, and whose annual rate of compensation shall be the
20 same as that now or hereafter provided by or pursuant to
21 law for Assistant Secretaries for administration of executive
22 departments.

23 TRANSFERS TO DEPARTMENT

24 SEC. 5. (a) Except as otherwise provided in subsection
25 (b) of this section, there are hereby transferred to and vested

1 in the Secretary all of the functions, powers, and duties of the
2 Housing and Home Finance Agency, of the Federal Housing
3 Administration and the Public Housing Administration in
4 that Agency, and of the heads and other officers and offices
5 of said agencies.

6 (b) The Federal National Mortgage Association, to-
7 gether with its functions, powers, and duties, is hereby trans-
8 ferred to the Department. The next to the last sentence
9 of section 308 of the Federal National Mortgage Associa-
10 tion Charter Act and the item numbered (94) of section
11 303 (e) of the Federal Executive Salary Act of 1964 are
12 hereby repealed, and the position of the President of said
13 Association is hereby allocated among the positions referred
14 to in section 7 (c) hereof.

15 CONFORMING AMENDMENTS

16 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United
17 States Code is hereby amended by striking out the period at
18 the end thereof and inserting a comma and the following:
19 "Secretary of Health, Education, and Welfare, Secretary of
20 Housing and Urban Development."

21 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
22 is amended by adding at the end thereof:

23 "Eleventh. The Department of Housing and Urban
24 Development."

1 (c) The amendment made by subsection (b) of this
2 section shall not be construed to make applicable to the
3 Department any provision of law inconsistent with this Act.

4 ADMINISTRATIVE PROVISIONS

5 SEC. 7. (a) The personnel employed in connection with,
6 and the assets, liabilities, contracts, property, records, and
7 unexpended balances of appropriations, authorizations, allo-
8 cations, or other funds held, used, arising from, or available
9 or to be made available in connection with, the functions,
10 powers, and duties transferred by section 5 of this Act are
11 hereby transferred with such functions, powers, and duties,
12 respectively.

13 (b) No transfer of functions, powers, and duties shall at
14 any time be made within the Department in connection with
15 the secondary market operations of the Federal National
16 Mortgage Association unless the Secretary finds that the
17 rights and interests of owners of outstanding common stock
18 issued under the Federal National Mortgage Association
19 Charter Act will not be adversely affected thereby.

20 (c) The Secretary is authorized, subject to the civil
21 service and classification laws, to select, appoint, employ, and
22 fix the compensation of such officers and employees, in-
23 cluding attorneys, as shall be necessary to carry out the pro-
24 visions of this Act and to prescribe their authority and
25 duties: *Provided*, That any other provision of law to the

1 contrary notwithstanding, the Secretary may fix the com-
2 pensation for not more than six positions in the Department
3 at the annual rate applicable to positions in level V of the
4 Federal Executive Salary Schedule provided by the Federal
5 Executive Salary Act of 1964.

6 (d) The Secretary may delegate any of his functions,
7 powers, and duties to such officers and employees of the
8 Department as he may designate, may authorize such suc-
9 cessive redelegations of such functions, powers, and duties
10 as he may deem desirable, and may make such rules and
11 regulations as may be necessary to carry out his functions,
12 powers, and duties. The second proviso of section 101 (c)
13 of the Housing Act of 1949 is hereby repealed.

14 (e) The Secretary may obtain services as authorized
15 by section 15 of the Act of August 2, 1946, at rates not to
16 exceed \$100 per diem for individuals.

17 (f) The Secretary is authorized to establish a working
18 capital fund, to be available without fiscal year limitation, for
19 expenses necessary for the maintenance and operation of
20 such common administrative services as he shall find to be
21 desirable in the interest of economy and efficiency in the
22 Department, including such services as a central supply
23 service for stationery and other supplies and equipment for
24 which adequate stocks may be maintained to meet in whole
25 or in part the requirements of the Department and its agen-

1 cies; central messenger, mail, telephone, and other communi-
2 cations services; office space; central services for document
3 reproduction and for graphics and visual aids; and a central
4 library service. In addition to amounts appropriated to
5 provide capital for said funds, which appropriations are
6 hereby authorized, the fund shall be capitalized by transfer to
7 it of such stocks of supplies and equipment on hand or on
8 order as the Secretary shall direct. Such fund shall be
9 reimbursed from available funds of agencies and offices in
10 the Department for which services are performed at rates
11 which will return in full all expenses of operation, including
12 reserves for accrued annual leave and for depreciation of
13 equipment.

14 (g) The Secretary shall cause a seal of office to be made
15 for the Department of such device as he shall approve, and
16 judicial notice shall be taken of such seal.

17 ANNUAL REPORT

18 SEC. 8. The Secretary shall, as soon as practicable after
19 the end of each calendar year, make a report to the Presi-
20 dent for submission to the Congress on the activities of the
21 Department during the preceding calendar year.

22 SAVINGS PROVISIONS

23 SEC. 9. (a) No cause of action by or against any agency
24 whose functions are transferred by this Act, or by or against
25 any officer of any such agency in his official capacity, shall

1 abate by reason of this enactment. Such causes of action
2 may be asserted by or against the United States or such
3 official of the Department as may be appropriate.

4 (b) No suit, action, or other proceeding commenced by
5 or against any agency whose functions are transferred by this
6 Act, or by or against any officer of any such agency in his
7 official capacity, shall abate by reason of the enactment of
8 this Act. A court may at any time during the dependency
9 of the litigation, on its own motion or that of any party,
10 order that the same may be maintained by or against the
11 United States or such official of the Department as may be
12 appropriate.

13 (c) Except as may be otherwise expressly provided in
14 this Act, all powers and authorities conferred by this Act
15 shall be cumulative and additional to and not in derogation
16 of any powers and authorities otherwise existing. All rules,
17 regulations, orders, authorizations, delegations, or other ac-
18 tions duly issued, made, or taken by or pursuant to applicable
19 law, prior to the effective date of this Act, by any agency,
20 officer, or office pertaining to any functions, powers, and
21 duties transferred by this Act shall continue in full force and
22 effect after the effective date of this Act until modified or
23 rescinded by the Secretary or such other officer or office
24 of the Department as, in accordance with applicable law, may
25 be appropriate. With respect to any function, power, or

1 duty transferred by or under this Act and exercised here-
2 after, reference in another Federal law to the Housing and
3 Home Finance Agency or to any officer, office, or agency
4 therein, except the Federal National Mortgage Association
5 and its officers, shall be deemed to mean the Secretary. The
6 positions and agencies heretofore established by law in con-
7 nection with the functions, powers, and duties transferred
8 under section 5 (a) of this Act shall lapse.

9

SEPARABILITY

10 SEC. 10. Notwithstanding any other evidence of the
11 intent of Congress, it is hereby declared to be the intent of
12 Congress that if any provision of this Act, or the application
13 thereof to any persons or circumstances, shall be adjudged
14 by any court of competent jurisdiction to be invalid, such
15 judgment shall not affect, impair, or invalidate the remainder
16 of this Act or its application to other persons and circum-
17 stances, but shall be confined in its operation to the provision
18 of this Act, or the application thereof to the persons and
19 circumstances, directly involved in the controversy in which
20 such judgment shall have been rendered.

21

EFFECTIVE DATE AND INTERIM APPOINTMENTS

22

23 SEC. 11. (a) The provisions of this Act shall take effect
24 upon the expiration of the first period of sixty calendar days
25 following the date on which this Act is approved by the
President, or on such earlier date as the President shall

1 specify by Executive order published in the Federal Register,
2 except that any of the officers provided for in sections 3 (a) ,
3 4 (a) , and 4 (b) of this Act may be nominated and ap-
4 pointed, as provided in such sections, at any time after the
5 date this Act is approved by the President.

6 (b) In the event that one or more officers required by
7 this Act to be appointed by and with the advice and consent
8 of the Senate shall not have entered upon office on the effec-
9 tive date of this Act, the President may designate any person
10 who was an officer of the Housing and Home Finance
11 Agency immediately prior to said effective date to act in
12 such office until the office is filled as provided in this Act or
13 until the expiration of the first period of sixty days following
14 said effective date, whichever shall first occur. While so
15 acting such persons shall receive compensation at the rates
16 provided by this Act for the respective offices in which they
17 act.

89TH CONGRESS
1ST SESSION

H. R. 6927

[Report No. 337]

A BILL

To establish a Department of Housing and
Urban Development, and for other pur-
poses.

By Mr. FASCELL

MARCH 30, 1965

Referred to the Committee on Government Operations

MAY 11, 1965

Reported with an amendment, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

May 19, 1965

SENATE

8. CIGARETTE LABELING. The Commerce Committee reported with amendments S. 559, to regulate the labeling of cigarettes (S. Rept. 195). p. 10575
9. INTERNATIONAL MONETARY FUND. The Foreign Relations Committee reported H.R. 6497, to amend the Bretton Woods Agreements Act to authorize an increase in the International Monetary Fund quota of the U. S. (S. Rept. 196). p. 10575
10. WATERSHEDS. The "Daily Digest" states that the Agriculture and Forestry Committee voted to report (but did not actually report) "an original bill in lieu of an amended version of S. 99," to increase from 5,000 acre-feet to 12,500 acre-feet the maximum flood-water detention capacity of reservoirs under the Watershed Protection and Flood Prevention Act; and S. 199, with amendment, to permit cost of utility relocations under the Watershed Protection and Flood Prevention act to be borne by the Federal Government if the local organization is financially unable to bear such cost. p. D417
11. PERSONNEL; PROPERTY. The "Daily Digest" states that the Agriculture and Forestry Committee voted to report (but did not actually report) S. 1689, with amendment, to permit the hiring or rental of private property by the Forest Service from its employees at isolated locations; and H.R. 6691, to validate certain over-payments made by the Forest Service to Southwestern Indian firefighter crews from N. Mex. and Ariz. p. D417
12. FISH; WILDLIFE. Began debate on S. 1734, to conserve and protect Pacific salmon of North American origin (pp. 10592-5). The bill had been reported with amendments earlier (May 18, during adjournment)(S. Rept. 194) (p. 10574).
13. HOUSING. Sen. Javits submitted an amendment to S. 1599, to establish a Department of Housing and Urban Development, which would authorize the establishment of an Inter-Agency Coordinating Council. p. 10589-90.
14. LOANS; WATER SUPPLY. Cosponsors were added to S. 1766, to authorize Farmers Home Administration loans for rural water supply and water systems. p. 10590
15. FARM LABOR. Sen. Murphy inserted two editorials concerning the farm labor problem in Calif. p. 10610
16. COTTON. Sen. Tower commended and inserted a resolution of a Texas county Commissioners' Court "urging Congress to use its power to prevent a discontinuance of the skip-row practice of planting cotton for next year." p. 10611
17. PATENTS. Sen. Metcalf criticized the Administration's patent policy. pp. 10616-20

ITEMS IN APPENDIX

18. MARKETING. Rep. Gilligan inserted a brief summary of the truth-in-packaging bill. pp. A2484-5
19. POVERTY. Rep. Cederberg inserted an article questioning the benefits of the poverty program. p. A2485
20. FOREIGN TRADE. Extension of remarks of Rep. Martin, Ala., criticizing the administration's proposal "calling for relaxing trade restrictions with Soviet Russia and her Communist satellite nations." pp. A2485-6

21. ELECTRIFICATION. Extension of remarks of Rep. Schisler commending REA programs. pp. A2486-7
22. TEXTILES. Rep. Whitener inserted a constituent's letter in which he stated that "the cotton legislation passed last year, in my opinion, is largely responsible for the present improvement in the overall textile business." pp. A2503-4
23. RECREATION. Rep. Dingell inserted an address supporting Sleeping Bear Dunes National Lakeshore. p. A2504

BILLS INTRODUCED

24. PERSONNEL. S. 1997 by Sen. Monroney, to adjust the rates of basic compensation of certain officers and employees in the Federal Government; to Post Office and Civil Service Committee. Remarks of author pp. 10585-6
S. 1998 by Sen. Monroney, to establish the Federal Salary Review Commission; to Post Office and Civil Service Committee. Remarks of author pp. 10585-6
25. LOANS. H. R. 8286 by Rep. Hansen, Iowa, to amend the Consolidated Farmers Home Administration Act of 1961 to provide additional assistance for disaster victims; to Agriculture Committee.
H. R. 8287 by Rep. Hansen, Iowa, to amend the Small Business Act to provide additional assistance for disaster victims; to Banking and Currency Committee.
26. MILK. S. 1993 by Sen. Mondale, to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to Labor and Public Welfare Committee. Remarks of author pp. 10580-5
27. WATER RESOURCES. H. R. 8277 by Rep. Collier, to authorize the Secretaries of the Army, Agriculture, and the Interior to make Federal contributions to certain State water resource projects; to Public Works Committee.
28. DISASTER RELIEF. H. R. 8281 by Rep. Greigg, to amend the Agricultural Act of 1949, to take into consideration floods and natural disasters in reference to the feed grains program; to Agriculture Committee.
29. POVERTY. H. R. 8283 by Rep. Gibbons, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964; to Education and Labor Committee.
30. FEDERAL AID. H. R. 8288 by Rep. Krebs, to achieve the fullest cooperation and coordination of activities between the levels of Government in order to improve the operation of our Federal system in an increasingly complex society, to improve the administration of grants-in-aid to the States, to provide for periodic congressional review of Federal grants-in-aid, to permit provision of reimbursable technical services to State and local governments, to establish coordinated intergovernmental policy and administration of grants and loans for urban development, to provide for the acquisition, use and disposition of land within urban areas by Federal agencies in conformity with local government programs; to Government Operations Committee.

sary. The availability of grants for research in library technology would, therefore, aid the library profession immeasurably in the difficult tasks that lie ahead.

Important as the foregoing aspects of title II are, I assume that this subcommittee is mainly interested in my views on the centralized cataloging proposal made here today by the Association of Research Libraries. I am in accord with the plan outlined, and I am glad to have this opportunity to comment on it in relation to the Library of Congress and the national needs.

As I understand it, the Association of Research Libraries is proposing that title II be amended in order that a sum of \$5 million for the first year would be authorized to be appropriated to permit the Commissioner of Education to transfer funds to the Library of Congress for the purpose of acquiring at the Library of Congress, insofar as possible, all library materials of research value currently published throughout the world, and of enabling the Library to provide catalog information on these materials promptly enough to be useful to the libraries of the Nation. In addition, I hope that any such amendment would be so worded as to permit the Library to use for exchange and other purposes those materials acquired that might not be needed for its own collections.

This plan would obviously affect our acquisition program. At present, it is the policy of the Library of Congress to be comprehensive in its coverage, but not complete. Many years ago it became apparent that no one library could add to its collections everything that was printed. The major research libraries of the country therefore agreed to a cooperative acquisitions program, called the Farmington plan, under which each member assumed responsibility for acquiring all publications of research value from a particular geographical area or in a given subject. The Library has also acquired a large proportion of the material that is brought to the United States under this plan but, as I have said, it has not attempted to follow a policy of acquiring everything. For example, as you know, the National Library of Medicine and the National Agricultural Library collect technical publications in medicine and agriculture.

It would be impossible to give an exact figure on how many publications that are being received by research libraries are not received by the Library of Congress. The Association of Research Libraries has estimated that about 100,000 titles per year are at present either not being acquired by the Library of Congress or are not being cataloged promptly, that is, within 3 weeks from date of receipt. It has been estimated that the sum recommended by the Association of Research Libraries to be transferred to the Library of Congress would insure the acquisition, binding, and cataloging of about 75,000 titles during the first year of operation. We are assuming that any authorizing legislation would include the cost of printing catalog cards for these additional titles. Since the number of libraries interested in buying cards for these predominantly foreign-language materials would be limited, the volume of sales would not pay for the printing costs.

The Library's catalog-card distribution service has attempted to meet the needs of the greatest number of libraries throughout the country. Since English-language publications are the ones acquired by the majority of the libraries and are the titles most often used by the reader, we have given priority to them in our cataloging. Over 93 percent of the sale of catalog cards are for titles in the English language. With the cooperation of many American book publishers, who send us their new titles on or before their publication dates, we are able to supply printed cards on these books promptly.

Generally, English-language books are cataloged and printed cards are available within 21 working days after receipt of the books in the Library.

It is true that the Library does not have printed cards available for most of its foreign-language titles within this period of time. In some instances, printed cards for foreign-language materials that we have never become available. This is not to say that the Library of Congress does not know what is has acquired in foreign titles. In order to serve our immediate needs—that is, to service the materials to the Congress, the Government, and our readers—we give what is called preliminary cataloging treatment to incoming foreign titles and thus we have control over them. This is, of course, not an ideal situation and it has penalized other research libraries, but we cannot, without additional staff and book-purchase funds, fulfill all the needs of the research libraries.

Looking to the future, the research libraries are hopeful—and I am too—that they will be able to tie into a national computer-based information system, whose main store of information will be located at the Library of Congress. It is expected that the bibliographic information in the Library, corresponding to our present card catalogs, will be produced in machine-readable form and will be made available to other libraries in various ways, possibly through tapes, and through a network of communications facilities. The value of such a record would be enhanced if the Library of Congress had bibliographic information about the holdings of the entire complex of research libraries. The proposal presented to you today by the Association of Research Libraries would make this possible in the future, and as a result, a much larger segment of the research community would be the beneficiary of such an information system.

In conclusion, the Library of Congress, recognizing its role as the national library, would be happy to accept this responsibility for the research libraries of the Nation, for the ARL plan is not directly designed for the primary benefit of the Library of Congress. Indirectly, we would benefit because we would be able to acquire more books, to catalog them more promptly, and to build a more complete centralized bibliographic record for the benefit of higher education and the scholarly community. In short, this plan would not only provide for a more economical and efficient national cataloging program, but would directly contribute to the improvement of research and reference libraries in the United States.

TESTIMONY BY JULIAN H. LEVI, BEFORE THE EDUCATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, MAY 19, 1965

I am Julian H. Levi, professor of Urban Studies in the Division of Social Sciences at the University of Chicago.

President George W. Beadle, of the University of Chicago, has authorized enthusiastic support of the suggestions made by Mr. William S. Dix, librarian of Princeton University, on behalf of the Association of Research Libraries. I may tell you, in addition, that the content of Mr. Dix' suggestions has been discussed in meetings among many university groups within past weeks. More than 30 institutions have been involved. The reaction in each instance has been positive.

Three observations appear appropriate:

1. Amelioration of cataloging problems, achieved by shared effort, is important to the entire community of higher education. Current costs and delays inflict heavy penalties on university budgets and resources, on faculty time and effort, and on student opportunity and training.

The benefits of Mr. Dix' suggestions, therefore, go far beyond the university library

itself. The economies and benefits derived from central cataloging effort will assist each of the institutions of higher education in the Nation.

2. Cataloging problems cannot be solved within any single institution, or section, or region of the Nation. No one university library, however large, can be all-inclusive. Effective service requires a common approach to the cataloging problem and on a national basis. Accordingly, only a national program will meet the need. Anything less will not have coverage sufficiently inclusive.

3. The benefits to be derived in avoiding duplicative, costly efforts are many times the costs involved.

No one privileged to appear before this committee on behalf of higher education can fail to acknowledge the giant contributions which this committee has made in the development and promulgation of a legislative record without parallel. This committee, under the inspired leadership of its chairman, supplemented and aided by an extraordinarily effective and interested staff, challenges us as we seek to meet our obligations, essential to the future of a free society.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AMENDMENT NO. 196

Mr. JAVITS. Mr. President, with respect to the pending bill to establish a Department of Housing and Urban Development I submit an amendment for appropriate reference.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment was referred to the Committee on Government Operations.

Mr. JAVITS. Mr. President, this is an amendment to S. 1599, the bill to establish a Department of Housing and Urban Development, to create in the Department, an Office of Urban Program Coordination to provide specific machinery for the coordination of the approximately 60 programs concerning urban development which are not under the jurisdiction of the Department of Housing and Urban Development, as the bill is presently drafted.

I am cosponsor of S. 1599, and support its objectives. However, while the bill provides generally that the Secretary shall have authority to coordinate Federal activity affecting housing and urban development, there is no machinery for the Secretary to utilize in coordinating the administration of the more than 60 Federal programs concerned with urban metropolitan areas. The Secretary's direct jurisdiction, it is expected, will cover only the constituent units of the Housing and Home Finance Agency whose functions and powers will be transferred to the Department. There is an urgent need that the Secretary of the Department of Housing and Urban Development be the focal point for the many development programs having an impact on urban areas and that he have the machinery to coordinate these programs.

The amendment would, in addition, authorize the establishment of an Inter-Agency Coordinating Council, to be made up of distinguished citizens outside the Government appointed by the Secretary to provide the Secretary of the Department with their recommendations for developing proposals for improving programs of the various departments and

agencies of the Government which have a major impact on urban development. The Council also would be composed of ex officio members including the Secretary of Housing and Urban Development and the Secretaries of Labor; Commerce; Health, Education, and Welfare; and Treasury; the Director; the Administrator of the Federal Aviation Agency; the Chairman of the Interstate Commerce Commission; and the Administrator of Veterans' Affairs and other designated officials.

I trust that the Executive Reorganization Subcommittee of the Government Operations Committee under the able chairmanship of Senator RIBICOFF and of which I am a member will consider the objectives of this amendment and evaluate how best these objectives may be carried out.

ADDITIONAL COSPONSORS OF BILL

Mr. AIKEN. Mr. President, I ask unanimous consent that the RECORD show that the following Senators have become cosponsors of S. 1766, a bill to amend the Farm Home Administration Act: The Senator from Hawaii [Mr. INOUE], the Senator from Oklahoma [Mr. MONROE], the Senator from Louisiana [Mr. LONG], and the Senator from Florida [Mr. SMATHERS].

The amendment is intended to establish water systems in rural areas with less than 5,000 population and to provide for Federal assistance in so doing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that at the next printing of S. 1886, to prohibit opening of mail by the Internal Revenue Service, the name of the senior Senator from Illinois [Mr. DOUGLAS] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROHIBITION OF OPENING OF MAIL BY INTERNAL REVENUE SERVICE—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 4, 1965, the names of Mr. ALLOTT, Mr. BARTLETT, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BURDICK, Mr. CARLSON, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. CURTIS, Mr. DOMINICK, Mr. ERVIN, Mr. FONG, Mr. HART, Mr. HARTEKE, Mr. HRUSKA, Mr. INOUE, Mr. LAUSCHE, Mr. MCCARTHY, Mr. MONTOYA, Mr. MOSS, Mr. MUNDT, Mr. MURPHY, Mr. MUSKIE, Mr. NELSON, Mr. SALTONSTALL, Mr. SIMPSON, Mrs. SMITH, Mr. SPARKMAN, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota were added as additional cosponsors of the bill (S. 1886) to prohibit opening of mail by the Internal Revenue Service, introduced by Mr. LONG of Missouri on May 4, 1965.

NOTICE OF HEARINGS ON HOUSE BILLS RELATING TO THE JUDICIARY

Mr. TYDINGS. Mr. President, for myself, as chairman of the Subcommittee

on Improvements in Judicial Machinery of the Committee on the Judiciary, I wish to announce that hearings will be held by the subcommittee on H.R. 1763, to authorize the payment of witness fees in habeas corpus cases and in proceedings to vacate sentence. H.R. 3989, to extend the time for filing petitions for removal of civil action from State to Federal courts from 20 to 30 days. H.R. 3990, to increase the per diem and subsistence and limit mileage allowances of grand and petit jurors. H.R. 3992, to provide the payment of cost of transcripts furnished by court reporters. H.R. 3998, to increase the fees of jury commissioners in the U.S. district courts. H.R. 5283, to provide for the inclusion of years of service as judge of the U.S. District Court for the Territory of Alaska in the computation of the years of Federal judicial services for judges of the U.S. district courts for the District of Alaska. H.R. 5640 to provide for a jury commission for each U.S. district court, to regulate its compensation, to prescribe its duties, and for other purposes.

The hearings are scheduled for May 27 at 10 a.m. in room 2228 of the New Senate Office Building.

Any person who wishes to testify or submit statements pertaining to these measures should communicate with the Subcommittee on Improvements in Judicial Machinery.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. HACKNEY, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 800) to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RIVERS of South Carolina, Mr. PHILBIN, Mr. HEBERT, Mr. PRICE, Mr. FISHER, Mr. HARDY, Mr. BATES, Mr. ARENDS, and Mr. OKONSKI were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1231. An act for the relief of Maria Mangano;

H.R. 1236. An act for the relief of Salvador Munoz-Tostado;

H.R. 1306. An act for the relief of Loretta Negrin;

H.R. 1314. An act for the relief of Foster Masahiko Gushard;

H.R. 1322. An act for the relief of Mrs. Ana Cristina Rainforth;

H.R. 1443. An act for the relief of Mrs. Olga Bernice Bramson Gilfillan;

H.R. 1987. An act for the relief of Nabhane M. Nickley (Nabhane M. Karam);

H.R. 1989. An act for the relief of Krystyna Stella Hancock;

H.R. 2012. An act for the relief of Dr. Ignace D. Liu;

H.R. 2305. An act for the relief of Zenaida Quijano Lazaro;

H.R. 2351. An act for the relief of Teresita Centeno Valdez;

H.R. 2360. An act for the relief of Dr. Antonio R. Perez;

H.R. 2499. An act for the relief of Remedios Ocampo;

H.R. 3625. An act for the relief of Alfred Estrada; and

H.R. 4131. An act for the relief of Mrs. Phoebe Thompson Neesham.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the Judiciary:

H.R. 1231. An act for the relief of Maria Mangano;

H.R. 1236. An act for the relief of Salvador Munoz-Tostado;

H.R. 1306. An act for the relief of Loretta Negrin;

H.R. 1314. An act for the relief of Foster Masahiko Gushard;

H.R. 1322. An act for the relief of Mrs. Ana Cristina Rainforth;

H.R. 1443. An act for the relief of Mrs. Olga Bernice Bramson Gilfillan;

H.R. 1987. An act for the relief of Nabhane M. Nickley (Nabhane M. Karam);

H.R. 1989. An act for the relief of Krystyna Stella Hancock;

H.R. 2012. An act for the relief of Dr. Ignace D. Liu;

H.R. 2305. An act for the relief of Zenaida Quijano Lazaro;

H.R. 2351. An act for the relief of Teresita Centeno Valdez;

H.R. 2360. An act for the relief of Dr. Antonio R. Perez;

H.R. 2499. An act for the relief of Remedios Ocampo;

H.R. 3625. An act for the relief of Alfred Estrada; and

H.R. 4131. An act for the relief of Mrs. Phoebe Thompson Neesham.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. THURMOND:

Editorial on recent Soviet displays of strategic weapons, published in Aviation Week & Space Technology for May 17, 1965.

INVESTIGATION OF ROBERT G. BAKER, BY COMMITTEE ON RULES AND ADMINISTRATION

Mr. WILLIAMS of Delaware. Mr. President, in the Chicago Tribune of March 18, 1965, there appeared an editorial entitled "A New Low."

This editorial points up just how desperate the administration is to stop the Baker investigation before it reaches any higher.

I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago (Ill.) Tribune, May 18, 1965]

A NEW LOW

Democrats on the Senate Rules Committee apparently have stooped to a new low in their protracted efforts to cover up the Bobby Baker scandal. Reporters have learned that the committee's forthcoming report on the latest stage of its so-called investigations includes an ill-concealed and outrageous attack on the integrity of a fellow Senator, John J. WILLIAMS of Delaware.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C.

20250

Official Business

Postage and Fees Paid

U. S. Department of Agriculture

Issued June 10, 1965

For actions of June 9, 1965

89th-1st; No. 104

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HIGHLIGHTS: Sen. Ellender introduced farm bills and announced hearings, and he and Sen. Williams, Del., discussed this subject. Senate debated foreign aid authorization. Sen. Williams, N.J., defended Secretary Wirtz regarding Mexican farm labor program. House committee reported revised disaster relief bill. House Rules Committee cleared housing bill. Sen. Tower submitted and discussed measure to curtail beef imports when danger of foot-and-mouth disease.

SENATE

1. FOREIGN AID. Continued debate on S. 1837, the foreign aid authorization bill. pp. 12566-73, 12588-603
2. FARM PROGRAM. In connection with introduction of a farm bill, Sen. Ellender announced hearings to begin June 16, discussed various farm-program proposals, and discussed the cotton program with Sen. Williams, Del. pp. 12503-6
3. FARM LABOR. Sen. Williams, N. J., defended the actions of Secretary Wirtz regarding the question as to whether the Mexican farm labor program should be continued, and Sen. Inouye inserted articles which, he said, indicated that some Calif. growers are not sorry to see discontinuance of the program. pp. 12603-12
4. WATERSHEDS. Received from the Budget Bureau plans for works of improvement for Crooked Creek, Ala.; Haney Creek, Ark.; Upper Crooked Creek, Ark.; Muddy Fork of Silver Creek, Ind.; Cub Creek, Nebr.; Assumpink Creek, N. J.; St. Thomas Lodema,

and Buffalo Creek, Ohio; to Agriculture and Forestry Committee. Also Lower Little Tallapoosa River, Ga.; Uncle John Creek, Okla.; Wilson Spring Creek, Tenn.; Attoyac Bayou, Tex.; Castleman Creek, Tex.; and Donahue Creek, Tex.; to Public Works Committee. p. 12502

5. FARM LOANS. Received from this Department a proposed bill to amend the Consolidated Farmers Home Administration Act so as to permit release of valueless liens; to Agriculture and Forestry Committee. p. 12502

6. PERSONNEL. The Post Office and Civil Service Committee reported without amendment S. 1496, to repeal the act which prohibits the detail of field personnel to duty in D. C. except for performance of duties in connection with their field offices (S. Rept. 309); with amendment S. 1495, to permit variation of the 40-hour work-week of Federal employees for educational purposes (S. Rept. 310); and without amendment H. R. 1782, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in administration of the Act (S. Rept. 307). p. 12502

Received from the Civil Service Commission a proposed bill to amend Sec. 7 of the Administrative Expenses Act of 1946 so as to provide for payment of travel cost for applicants invited by a department to visit it for purposes connected with employment; to Government Operations Committee. p. 12502

7. FOREIGN TRADE. Sen. Hartke spoke in favor of S. 2045, his bill to improve the operation and administration of the Antidumping Act of 1921. pp. 12540-1

HOUSE

8. DISASTER RELIEF. The Public Works Committee reported without amendment S. 2089, to provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters (H. Rept. 482). (p. 12497). This bill is a substitute for S. 327, which was vetoed by the President.

9. DEBT LIMIT. By a vote of 229 to 164, passed without amendment H. R. 8464, to provide, for the period beginning on July 1, 1965, and ending on June 30, 1966, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act. pp. 12431-50, 12475

10. TARIFF. Passed as reported H. R. 4493, to continue through June 30, 1967, the existing suspension of duties for metal scrap. pp. 12450-1

Passed without amendment H. R. 5768, to extend for an additional temporary period the existing suspension of duties on certain classifications of yarn of silk. p. 12451

Passed as reported H. R. 7621, to amend title I of the Tariff Act of 1930 to limit button blanks to raw or crude blanks suitable for manufacture into buttons. p. 10451-2

11. HOUSING. The "Daily Digest" states that the Rules Committee "Granted an open rule, waiving points of order, with 2 hours of general debate, making H.R. 8822 in order to be offered a substitute, on H. R. 6927, to establish a Department of Housing and Urban Development." ~~p. D504~~

Rep. Dwyer commended the above action and inserted the text of her testimony on H. R. 8822. pp. 12480-1

Digest of CONGRESSIONAL PROCEEDINGS

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business

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U. S. Department of Agriculture

Issued

June 15, 1965

For actions of

June 14, 1965

89th-1st; No. 107

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HIGHLIGHTS: Senate passed foreign aid authorization bill. Senate debated International Wheat Agreement. Senate committee reported bill to expand salt-water research. House received conference report on Interior appropriation bill. House Rules Committee cleared housing bill. House Rules Committee cleared revised disaster relief bill. House committee voted to report bill to provide diversion payments on acreage affected by disaster.

SENATE

1. FOREIGN AID. Passed, 68-20, with amendments H. R. 7750, the foreign aid authorization bill. Senate conferees were appointed. pp. 12989, 13008-40, 13043-67
2. WHEAT. Began debate on ratification of protocol extending the International Wheat Agreement for 1 year. pp. 13069-70
3. WATER RESEARCH. The Interior and Insular Affairs Committee reported without amendment S. 24, to expand, extend, and accelerate the saline water conversion program conducted by the Interior Department (S. Rept. 319). p. 12957
4. EXCISE TAXES. The Finance Committee reported with amendments H. R. 8371, to reduce or repeal certain excise taxes (S. Rept. 324). p. 12957
5. ELECTRIFICATION. Received from REA a report on approval of a loan to the Lower

Colorado River Authority, Tex. p. 12957

6. SOIL CONSERVATION; APPROPRIATIONS. Received a N. C. legislature resolution opposing proposed reductions in soil-conservation appropriations. pp. 12974-5
7. LEGISLATIVE PROGRAM. Sen. Mansfield stated that it is planned to complete action on the International Wheat Agreement today, followed by the excise tax bill, the debt limit bill, and the cigarette labeling bill. p. 13040

HOUSE

8. INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1966. Conferees filed a report on this bill, H. R. 6767, (H. Rept. 513). (pp. 1291-14). At the end of this Digest is a table showing the action of the conferees on Forest Service items. The conferees also provided an allocation of \$17,300,000 to the Forest Service from the Land and Water Conservation Fund instead of \$12,000,000 as proposed by the House and \$19,785,150 as proposed by the Senate.
9. HOUSING; URBAN DEVELOPMENT. The Rules Committee reported a resolution for the consideration of H. R. 6927, to establish a Department of Housing and Urban Development. p. 12914
Rep. Patman commended and inserted an article, "Small Communities--Getting Many Federal Aids as Part of Urban Development." pp. 12928-30
10. DISASTER RELIEF. The Rules Committee reported a resolution for the consideration of S. 2089, the revised disaster relief bill. pp. 12914-5
11. FEED GRAINS. The Agriculture Committee voted to report (but did not actually report) H. R. 8620, to take into consideration floods and other natural disasters in reference to the feed grains, cotton, and wheat programs for 1965.
Rep. Michel spoke in opposition to H. R. 8629, to amend the provisions of the wheat program authorized in the Agricultural Act of 1964, which he stated "would injure Illinois industry and Illinois farmers by subsidizing wheat for industrial uses at the expense of corn." pp. 12948-9
12. WATER POLLUTION. Rep. Kunkel urged action on the proposed Water Quality Act of 1965. p. 12926
13. WILDERNESS. Rep. Olsen, Mont., inserted a newspaper article discussing the controversy over the classification of the Selway-Bitterroot area as a wilderness area. pp. 12961-2
14. WILDLIFE. Received from Interior a proposed bill to provide for the conservation, protection, and propagation of native species of fish and wildlife, including migratory birds, that are threatened with extinction, and to consolidate the authorities relating to the administration by the Secretary of the Interior of the national wildlife refuge system; to Merchant Marine and Fisheries Committee. p. 12954
15. TARIFFS. Received an Ariz. Legislature memorial "opposing the passage of H. R. 8147 relating to reducing the existing tariff schedules." p. 12955
16. EXTENSION WORK. Received an Hawaii Legislature memorial "requesting that the Morrill Act be amended so as to enable States to invest their grants in corporate equities." p. 12955

CONSIDERATION OF H.R. 6927

JUNE 14, 1965.—Referred to the House Calendar and ordered to be printed

Mr. PEPPER, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 419]

The Committee on Rules, having had under consideration House Resclution 419, report the same to the House with the recommendation that the resolution do pass.



RESOLUTION

House Calendar No. 97

89TH CONGRESS
1ST SESSION

H. RES. 419

[Report No. 511]

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1965

Mr. PEPPER, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H.R. 6927) to establish
5 a Department of Housing and Urban Development, and for
6 other purposes, and all points of order against said bill are
7 hereby waived. After general debate, which shall be con-
8 fined to the bill and continue not to exceed two hours, to be
9 equally divided and controlled by the chairman and ranking
10 minority member of the Committee on Government Opera-
11 tions, the bill shall be read for amendment under the five-
12 minute rule. It shall be in order to consider without the

1 intervention of any point of order the text of the bill (H.R.
2 8822) as an amendment in the nature of a substitute for the
3 bill (H.R. 6927). At the conclusion of such consideration
4 the Committee shall rise and report the bill to the House
5 with such amendments as may have been adopted, and the
6 previous question shall be considered as ordered on the
7 bill and amendments thereto to final passage without inter-
8 vening motion except one motion to recommit.

RESOLUTION

Providing for consideration of H.R. 6927, a bill
to establish a Department of Housing and
Urban Development, and for other purposes.

By Mr. Pepper

JUNE 14, 1965

Referred to the House Calendar and ordered to be
printed

16. HOUSING. Began debate on H. R. 6927, to establish a Department of Housing and Urban Development. pp. 13212-34, pp. 13263-4
The "Daily Digest" states that the Rules Committee "Granted an open rule ... on H. R. 7984, the omnibus housing bill." p. D531
17. FARM LABOR. Rep. Roosevelt inserted responses given the subcommittee by the Labor Dept. in the course of hearings on amendments to the Fair Labor Standards Act including questions on minimum wages in agriculture. pp. 13244-48
Rep. Talcott discussed three "misleading comments regarding the farm labor fiasco in California." p. 13249
18. TRANSPORTATION. Rep. Multer commended the Urban Mass Transportation Act of last Congress, stated that it is just the beginning of the administration's attack on a "serious problem" and inserted two articles on the subject. pp. 13266-8
19. FORESTRY. Received an Ill. Legislature petition "supporting the implementation of the national forest program for the Shawnee Hills of southern Illinois, including the planning and development of the George Rogers Clark Recreation Way, the Kincaid, Lusk Creek, Eagle Creek and Little Saline Lakes." p. 13284
20. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Wed. the House will further consider the bill to establish a Dept. of Housing and Urban Development, and will act on bills relating to construction of Garrison diversion unit, Missouri River Basin project, and construction of Auburn Folsom south unit, American River division, Calif. p. D530

ITEMS IN APPENDIX

21. HIGHWAYS; RECREATION. Extension of remarks of Rep. Fulton criticizing alleged action by the Bureau of Public Roads to block proposed programs on highway beauty and recreational and wildlife facilities. pp. A2093-4
Rep. Reuss inserted an article supporting the President's proposed highway program. p. A3102
22. EDUCATION. Rep. Cohelan inserted an analysis of aid to education programs, "School Report--Federal Aid to Education Discussed." pp. A3095-6
23. FARM LABOR. Extension of remarks of Rep. Talcott urging the recruitment of competent farm labor "so that union members employed in industries allied with agriculture can go back to work." p. A3098
24. WHEAT. Extension of remarks of Rep. Cooley defending wheat provisions of the farm bill and inserting a letter "complaining that we are about to raise the price of wheat" and calling the proposed legislation a "bread tax." pp. A3105-6

BILLS INTRODUCED

25. FARM LABOR. H. R. 9045 by Rep. Battin, and H. R. 9052 by Rep. Cramer, to provide for the establishment of a program under which foreign agricultural workers can be recruited for temporary employment in the continental United States; to Agriculture Committee.

26. LABOR STANDARDS. H. R. 9048 by Rep. Burton, Calif., to amend the Fair Labor Standards Act to extend its protection to additional employees, to improve its maximum hours standards; to Education and Labor Committee.
27. RESEARCH. H. R. 9064 by Rep. Rogers, Fla., to establish a National Commission of Oceanography; to Merchant Marine and Fisheries Committee.
28. POPULATION. H. R. 9065 by Rep. Rosenthal, to provide for certain reorganizations in the Department of State and Department of Health, Education, and Welfare; to Government Operations Committee. Remarks of author p. 13264
29. TIME. H. R. 9066 by Rep. Saylor, to provide a uniform period of daylight saving time; to Interstate and Foreign Commerce Committee.
30. PUBLIC WORKS. H. R. 9067 by Rep. Saylor, to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to Public Works Committee.
31. PERSONNEL. H. R. 9073 by Rep. Love, to amend the Federal Employees' Group Life Insurance Act of 1954 to permit an employee subject to such act to be insured on the basis of the highest rate of compensation received by him in the course of his employment; to Post Office and Civil Service Committee.
32. WILDLIFE. H. Con. Res. 440 by Rep. Reuss, expressing the sense of the Congress with respect to the worldwide conservation of wildlife and the convening of an international conference on the conservation of wildlife under sponsorship of the United Nations; to Foreign Affairs Committee. Remarks of author pp. 13257-61

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COMMITTEE HEARINGS:

- June 16: Omnibus farm bill, S. Agriculture (Secretary Freeman to testify).
Farm bill, H. Agriculture (exec).
Poverty bill, H. Rules.
- June 22: Dingell bills on pesticides that might injure fish and wildlife, H. Merchant Marine and Fisheries (Anderson, ARS, to testify).

oOo

struction of areas damaged by recent—December, January, and February—floods and high waters. The financial problems of those affected is desperate, and it behooves us to act quickly.

This bill would authorize from the general fund of the Treasury a sum not to exceed \$30 million for fiscal year 1965 and not to exceed \$20 million for fiscal year 1966 for the repair and reconstruction of highways, roads, and trails damaged.

The floods which occurred were a result of a most improbable combination of circumstances which left an incomprehensible path of death, damage, and destruction which no amount of money can ever replace. Forests, river banks, roadways, communications, fish, wildlife, towns, and industries were dealt a tragic, destructive blow which makes these floods some of the worst experienced in the history of the United States.

Although this occurred almost 6 months ago, that area and its people desperately need the aid provided in this bill to enable them to restore this great Northwest area. I urge its passage.

Mr. ULLMAN. Mr. Chairman, I do not think it necessary to tell my colleagues how important it is to the Pacific Northwest that this disaster relief bill be enacted and sent to the President for his signature. Nearly 6 months have passed since the first shock of record high water brought devastation to the valleys of Oregon, Washington, Idaho, and northern California. Vitally needed programs of recovery have languished because authority and funds are lacking.

The bill under consideration today provides the same needed authority to Federal agencies as was contained in the bill passed by this body on May 19, and I urge that it be enacted without delay.

The people of the flooded areas owe a great debt of gratitude to members of the Public Works Committee for the sympathetic consideration that has been given to these problems and particularly for the speed with which this new bill has been brought up for consideration in the House. My thanks to the distinguished chairman, the gentleman from Maryland, for his assistance in this matter, and to our colleague and member of the committee, the gentleman from California, for his diligent and effective work as the principal sponsor in the House.

Mrs. GREEN of Oregon. Mr. Chairman, we in Oregon are gratified that legislation to speed recovery from the disastrous winter floods in the Northwest is nearing final passage—though substantively for the second time because of the President's veto.

I am grateful to the gentleman from Alabama and the full committee for its prompt action.

Passage of this measure will go a long way toward giving Oregon and her neighbors the impetus to rebuild their damaged economies, their homes, the lives of their people. For many the assistance will help provide a reason for being again, hope having been virtually demolished along with all else as the

angry rivers bled our lands of much of their value.

In retrospect, had not the floods left the indescribable wreckage and horror behind them as they roared through our land, we would be hard put to conjure images of the realities of this enormous washout. None would believe us. We would be accused of having fantasies, of daydreaming the impossible.

But it happened. Though Oregon is not new to flooding during early spring, the heavy runoff during the snow melt usually hits one or two or three watersheds at a time. But not this time.

As has been recounted many times, the entire Pacific Northwest from the Columbia River south into northern California was hit by near-record rainfalls in the period preceding and during Christmas week. Warm temperatures contributed additional waters to increase the flow of streams. Then it was as though nature had gone berserk. Every stream in the region went wild, turning into terrifying torrents that piled rushing water into the rivers and then onto the lands, crushing homes, burying roads, orchards, and fields.

In the morass of mud and wreckage that was left when the waters subsided, there were 18 persons dead and thousands of others left homeless and uncounted others without jobs or livelihood. Millions of dollars worth of roads and rail lines were destroyed. Perhaps \$60 million in farm resources was destroyed. Damaged or ruined were 120 major and minor bridges and access roads to our rich forest lands. Our recreation areas and water sheds suffered severe damage that will take years to repair.

The foundation of Oregon's economy is its natural resources. My people are dependent on these resources—the timber, the water, the land itself. And countless numbers earn their bread from the processing of timber, its transportation and manufacture and from agricultural pursuits.

The floods, by affecting these vital resources, left my State with nearly \$260 million in public and private losses, not to mention the present and future earnings and production involved. We sought this legislation—I previously introduced such a bill, not to seek preferential treatment from the Federal Government, but to help the Northwest United States back on its own economic feet.

Oregon has not sought special treatment and it is not doing so now. There have been other natural disaster areas such as the Alaska earthquake, the Ohio Valley flooding, the Pacific coast tidal wave, the Wichita Falls, Tex., and southeast Michigan tornadoes, the flooding in Montana and Idaho, and hurricanes that devastated portions of the east coast—Cleo, Dora, and Hilda. This is assistance parallel to that afforded in those terrible disasters. The legislation would also give hope to those in the Midwest who suffered this year from tornadoes and flooding.

What we have asked for is a helping

hand. Now that this bill is finally being passed, there will be increased appropriations to the Bureau of Public Roads to allow that agency to furnish part of the funds required to reconstruct the access roads to our vital forests from which over 80,000 Oregonians derive their income and upon which 60 percent of our State's economy is based.

There will be an extended home loan repayment period to enable the homemaker to rebuild his home. This is necessary because many families had their financial resources wiped out in the storms and floods.

In this connection, let me say I am gratified that the Small Business Administration had decided to extend for 90 days to September 30 the time for filing and processing applications from Oregon so that small business concerns and homeowners will be able to apply for SBA disaster loans to repair flood damage.

The loans are for a maximum of 20 years at a reasonably low 3-percent interest rate. To make the loans more meaningful, a provision in the law will allow 30 years instead of 20 for maturity of these loans.

In addition the Secretary of Agriculture would be authorized to reduce from 30 days to 7 days the minimum time required to advertise the sale of national forest timber in the affected areas.

There will be increased highway appropriations to help restore the vital arteries of communication between the Northwest and the rest of the Nation.

Once again, I commend this legislation to my colleagues. We must get these programs underway. Our mills must be brought back to full production; our people brought back to full status as members of their communities and their State and Nation; our unemployed must be brought back to their jobs. It is now time to get to work. We have waited long enough this session. We of Oregon and the Northwest ask your hand to complete this mighty undertaking.

Mr. JONES of Alabama. Mr. Chairman, I have no further requests for time.

Mr. CRAMER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress hereby recognizes (1) that the States of California, Oregon, Washington, Nevada, and Idaho have experienced extensive property loss and damage as the result of floods and high waters during December 1964, and January and February 1965, (2) that much of the affected area is federally owned and administered, and (3) that the livelihood of the people in the area is dependent on prompt restoration of transportation facilities, and therefore Congress declares the need for special measures designed to aid and accelerate those States in their efforts to provide for the reconstruction of devastated areas.

SEC. 2. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, in addition to

the amounts authorized in section 125 of title 23 of the United States Code, not to exceed \$50,000,000 for the fiscal year ending June 30, 1965, and not to exceed \$20,000,000 for the fiscal year ending June 30, 1966. Such sums shall be obligated and expended by the Secretary of Commerce in accordance with such section 125, and related provisions of title 23 of the United States Code for the repair and reconstruction of highways, roads, and trails, damaged as the result of a disaster.

SEC. 3. (a) Notwithstanding provisions of existing contracts, the Secretary of the Interior and the Secretary of Agriculture, separately, and as part of the regular road and trail construction program, shall reimburse timber sale contractors or otherwise arrange to bear road and trail construction and restoration costs either directly or in cooperation with timber purchasers to the extent of costs determined by the respective Secretary as incurred or to be incurred for restoring roads in any stage of construction authorized by a contract for the purchase of timber from lands under his jurisdiction to substantially the same condition as existed prior to the damage resulting from the floods of December 1964, and January and February of 1965 in California, Oregon, Washington, Nevada, and Idaho, and to the extent costs determined by the respective Secretary as incurred or to be incurred for completing road construction not performed under any such contract prior to the floods but which, because of changed conditions resulting from the floods, exceed road construction costs as originally determined by the respective Secretary. The costs for such road restoration, reconstruction, and construction under any single timber purchase contract on roads not accepted prior to the floods, whether construction was complete, partial, or not yet begun, shall be borne as follows: 15 per centum of all amounts shall be borne by the timber purchaser, except that such purchaser shall not be required to bear costs of more than \$4,500, and the Secretary shall bear the remaining portion of such costs. This subsection shall not apply (1) in the case of any road restoration or reconstruction if the cost of such restoration or reconstruction is less than \$500, and (2) in the case of any road construction if the increase in the cost of such construction as the result of the floods is less than \$500 more than the construction costs as originally determined by the respective Secretary.

(b) Where the Secretary determines that damages are so great that restoration, reconstruction, or construction is not practical under the cost-sharing arrangement authorized by subsection (a) of this section, the Secretary may allow cancellation of the contract notwithstanding provisions therein.

(c) Paragraph (3) of section 2 of the Federal-Aid Highway Act of 1964 is amended to read as follows:

"(3) For forest development roads and trails, \$123,000,000 for the fiscal year ending June 30, 1966, of which not to exceed \$38,000,000 shall be used solely for the construction, repair, and reconstruction of forest development roads and trails in the States of California, Oregon, Washington, Nevada, and Idaho, necessary because of the floods and high waters in such States during December 1964, and January and February 1965, and \$85,000,000 for the fiscal year ending June 30, 1967."

(d) The Secretary of Agriculture is authorized to reduce to seven days the minimum period of advance public notice required by the first section of the Act of June 4, 1897 (16 U.S.C. 476), in connection with the sale of timber from national forests, whenever the Secretary determines that the sale of such timber will assist in the reconstruction of any area of California, Oregon, Washington, Nevada, and Idaho

damaged by floods or high waters during December 1964, and January and February 1965.

SEC. 4. The Secretary of the Interior is authorized to give any public land entryman such additional time in which to comply with any requirement of law in connection with any public land entry for lands in California, Oregon, Washington, Nevada, and Idaho, as the Secretary finds, appropriate because of interference with the entryman's ability to comply with such requirement resulting from floods and high waters during December 1964, and January and February 1965.

SEC. 5. (a) The President, acting through the Office of Emergency Planning, shall make a survey to determine what protective works would be necessary to prevent the recurrence of damage by floods or high waters to those banks of the Eel River, California, which are adjacent to the trackage of any common carrier by railroad and shall report to Congress the results of such survey together with the cost of any recommended work within sixty days after the date of enactment of this Act. The President, acting through the Office of Emergency Planning, is authorized to perform all or any part of the recommended work determined to be in the public interest and to reimburse any common carrier for any of such recommended work performed by such carrier. The Corps of Engineers of the United States Army shall be used to make the survey authorized by this section, shall recommend necessary work that has been determined by the President acting through the Office of Emergency Planning to be in the public interest, and shall be used to supervise any work authorized to be performed under this section.

(b) There is authorized to be appropriated not to exceed \$3,875,000 to carry out this section.

SEC. 6. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)) for the purpose of replacing, reconstructing, or repairing dwellings in California, Oregon, Washington, Nevada, and Idaho, damaged or destroyed by the floods and high waters of December 1964, and January and February 1965, may have a maturity of up to thirty years, except that section 7(c) of such Act shall not apply to such loans.

SEC. 7. This Act, other than section 5 and the amendment made by section 3(c), shall not be in effect after June 30, 1966, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

SEC. 8. This Act may be cited as the "Pacific Northwest Disaster Relief Act of 1965".

Mr. JONES of Alabama (during the reading.) Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendment at any point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, a little while ago I called attention to the words of President Johnson in his first message to a joint session of the Congress, this being on November 27, 1963. I want to read verbatim from the CONGRESSIONAL RECORD of that day.

The President speaking:

As one who has long served in both Houses of the Congress, I firmly believe in the independence and the integrity of the legislative

branch. I promise you I shall always respect this. It is deep in the marrow of my bones.

How deep in the marrow of Lyndon Johnson's bones is his regard for the independence and integrity of Congress as evidenced by his veto?

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. YOUNG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 2089) to provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters, pursuant to House Resolution 420, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on S. 2089, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ESTABLISHING A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND FOR OTHER PURPOSES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 419, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the text of the bill (H.R. 8822) as an amendment in the nature of a substitute for the bill (H.R. 6927). At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California [Mr. SISK] is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ANDERSON] pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 419 makes in order the consideration of H.R. 6927, with 2 hours of general debate and waiving points of order.

Mr. Speaker, the bill H.R. 6927 has to do with the establishment of a new department at the Cabinet level. In view of the importance of this particular subject I would hope that the House would see fit to grant the rule here suggested and to permit the members of the Committee on Government Operations to present the case for this new department. Therefore, I urge the adoption of House Resolution 419.

I reserve the remainder of my time.

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, proposals to create new Cabinet departments are not novel. Indeed, since 1952 there have been 46 bills to establish a Department of Urban Affairs and scores of other bills to establish everything from a Department of Peace to one for Science and Technology. Although on August 28, 1961, the House Committee on Government Operations reported a bill to establish a Cabinet Department of Urban Affairs no action was taken in that session and in 1962 a reorganization plan to accomplish this objective was defeated 264 to 150.

It is being said, I note in some quarters, that the passage of this bill is needed to produce a renewed burst of enthusiasm for the Great Society program and to give a psychological uplift to the drive to enact the other programs. Mr. Speaker, I submit that before we pass a bill that may in years to come cost the taxpayers billions in administrative costs and expanded Federal programs—before we pass a bill that may have a further disruptive effect on the pattern of Federal-State relations we ought to seek far more substantial reasons than that.

Mr. Speaker, in 1961 the administration, through its Solicitor General, made the following statement in a brief filed before the U.S. Supreme Court urging that the Court direct reapportionment of State legislature in accordance with the Census:

Urban governments now tend to bypass the States and to enter directly into cooperative arrangements with the National Government in such areas as housing, urban development, airports, and defense community facilities. This multiplication of national-local relationships reinforces the debilitation of State governments by weakening the State's control over its own policies and its authority over its own political subdivisions.

In hearings this year in the other body, Mr. Gordon, former Director of the Budget was questioned about the potential strengthening of State-urban relationships through the pending reapportionment. Mr. Gordon did not reply to this specifically, but one answer can

be suggested. If the central government has already set up a department of urban affairs, and has already established an administrative pattern for Federal-urban practice, has already in operation coordinating machinery for Federal-urban programs and planning—what practical aid can reapportioned State legislatures be in this respect? Whatever ultimate effect reapportionment might have on intrastate responsible political power will come too late if legislation has already cemented the framework of Federal-urban operations.

This year in his state of the Union message, President Johnson said that a great society will not flower spontaneously from swelling riches and surging power. It will not be the gift of governments or the creation of Presidents.

Mr. Speaker, the elevation of HHFA to Cabinet status is not going to solve the problems of our cities either, even though it is an attempt to lead the people of this country to believe that a solution to the problems of urban development is a gift of government.

To avoid the obvious criticism that merely by elevating HHFA to Cabinet status you account for only about one-third of the total urban aid-impact programs of the Federal Government an attempt is made in the majority report to say that this new department will concern itself only with urban development not other urban affairs. Well, where does one end and the other begin? Where is the magic dividing line? What possible logic is there behind an attempt to establish this impossible dichotomy. I submit there is no such separation and the reason why important agencies with a vital affect on urban development are left outside this new Cabinet department is because to include them all would result in a bureaucratic monstrosity that would make even the administrative woes of the Department of Health, Education, and Welfare pale into insignificance.

This new Cabinet department will not coordinate—it will proliferate.

It might be well at this point to refer to the recommendation of the Hoover Commission task force on lending agencies dated February 1955. The task force recommended that the Housing and Home Finance Agency be discontinued and that its components be divided into three separate establishments. The purpose was to separate the economically sound businesslike functions of the Agency from the subsidy-type programs. One establishment would be organized around welfare programs such as urban renewal and public housing. The second would evolve around the Federal Home Loan Bank System because it was concerned primarily with a specialized segment of the private banking and credit field, and the third independent establishment would be the Federal Housing Administration, a mortgage insurance activity. Thus, the proposed bill not only violates a basic recommendation of the Hoover Commission report, but also a recommendation of the Commission's task force on lending agencies, a report which was submitted to the Congress by

Chairman Herbert Hoover on February 5, 1955.

Mr. Speaker, there will be a substitute offered by the gentlewoman from New Jersey [Mrs. DWYER], whose bill, H.R. 8822, would establish an Office of Community Development in the Executive Office of the President. If you really want coordination of existing programs and not simply aggrandizement of Federal power herein lies the answer.

Instead of ignoring some 60 existing Federal programs concerned with urban metropolitan problems by leaving them outside the proposed new department you provide the head of this Office the kind of authority to coordinate across departmental lines all of these various urban-impact programs as stated in section 3(a) of the proposed substitute bill. The Director of the Budget has been called one of the most powerful three or four men in the Government, yet he holds no Cabinet rank. He coordinates the spending requests of all executive agencies to the tune of \$100 billion a year. We submit that properly organized and staffed and given proper presidential interest and support an Office of Community Development can go far toward solving the problems the majority would seek to solve by setting up a super-governmental agency.

Mr. SISK. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. PEPPER].

(Mr. PEPPER asked and was given permission to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, I reported this rule from the Committee on Rules to authorize the House to consider H.R. 6927 introduced by my distinguished colleague from Florida [Mr. FASCELL]. I am the author of a companion bill to H.R. 6927—H.R. 8771.

Mr. Speaker, in the strongest way I wish to identify myself with this rule and to urge its adoption and the enactment by the House of H.R. 6927.

Mr. Speaker, with 70-odd percent of the people of the United States living in urban areas H.R. 6927, is designed to meet the housing demands and the urban development requirements of the most populous areas of this country—areas most vital to the welfare and the progress of our country.

It is a bill which gives proper emphasis to the importance of housing and urban development, making the head of the Department a member of the Cabinet of the President of the United States.

It thus brings the head of this Department into close contact with the President and enables him to advise and counsel the President with reference to the execution and recommendation of national policies which would provide better facilities through which the U.S. Government can assist in meeting the housing and urban development needs of the people of this country.

Therefore, Mr. Speaker, I urge that the rule be adopted and that H.R. 6927 be enacted by the House.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 10 minute to the gentlewoman from New Jersey [Mrs. DWYER].

(Mrs. DWYER asked and was given permission to revise and extend her remarks.)

Mrs. DWYER. Mr. Speaker, under the rule by which the Committee on Rules has brought H.R. 6927 to the floor today, the House for the first time will be able to choose between two alternative ways of doing what virtually everyone agrees must be done—that is, provide consistent policy direction and program coordination for the dozens of different Federal programs, administered by several independent departments and agencies, which have a major impact on the Nation's urban areas.

To the best of my knowledge, Mr. Speaker, no one disagrees with this objective. On the contrary, everyone recognizes that Federal activities in urban areas are marked by confusion, contradiction and duplication.

Yet, for 4 straight years, Congress has refused to approve Presidential proposals for a new Cabinet-level department to deal with urban affairs and housing, whether by legislation or reorganization plan. In 1962, the House disapproved a reorganization plan by a vote of 264 to 150. And in 1961, 1963 and 1964, the House—despite Presidential requests—failed to bring similar legislation to the floor.

The principal reason, I suggest, is that proponents of a new department have not made a convincing case either that a department is needed to provide adequate service to our urban areas or that a department could effectively coordinate the multitude of programs operated by other departments and agencies in this area.

Under the rule, Mr. Speaker, I intend to offer at the appropriate time an amendment in the nature of a substitute for the committee bill. The amendment, which is the text of H.R. 8822, would establish in the Executive Office of the President an Office of Urban Affairs and Community Development. Such an Office, which would be equipped with the authority of the President and would function at his direction, would make possible the continuing policy and program coordination which is so notably absent today. For this reason, I believe my amendment warrants the support of all our colleagues, regardless of their convictions about the proper Federal role in meeting the needs of urban areas.

The central problem, Mr. Speaker, is to assure that the right hand of the Federal Government knows what the left hand is doing—and that both are working together. We need to make certain that the 50 or 60 or more urban area programs are administered as efficiently and as effectively as possible; that overall urban policies are consistent and that program goals are compatible; that one program or agency is not unduly hampering another; that waste and duplication can be eliminated; that the conflicting interests and views of the several departments and agencies in the field or urban affairs can be resolved in an orderly way; and that the goals determined by Congress can be achieved with a minimum of delay and redtape.

To illustrate this point more specifically, we need the kind of uniform policy and interagency coordination that will prevent a Federal highway from being built where an urban renewal project has already been located. We need to prevent the kind of situation where months grow into years while the Corps of Engineers and the Urban Renewal Administration try to decide how to share responsibility for a flood control project in an urban renewal area.

I am sure, Mr. Speaker, that our colleagues can recite hundreds of such real-life examples of what can happen to programs with desirable purposes when there is no way of keeping two agencies with related responsibilities moving in the same direction.

As the number and size and cost and complexity of urban area programs have grown, the problem has become increasingly severe. Congress, of course, cannot legislate every detail of program administration. It must leave to the agency concerned a rather considerable degree of discretion and flexibility. In exercising this discretion, experience has shown that agencies tend to concentrate on their own programs often to the virtual exclusion of related programs.

The effect of this tendency has been seriously harmful in many ways—as Governors, mayors, county officials, students of urban affairs, organizations in this field, and Federal officials themselves have reported time after time. The lack of coordination at the Federal level undermines the objectives of Congress. It disrupts relations between Federal, State, and local governments. It imposes unnecessary burdens on State and local officials and handicaps the operation of their own programs. It is wasteful of time and money.

The pending bill, Mr. Speaker, cannot achieve the kind of Government-wide coordination which is needed to correct this situation.

For this reason, at least 24 of our colleagues have introduced identical bills in this session of Congress, and similar bills have been introduced in the past three Congresses, to provide the coordination we find is essential. Our alternative would provide an effective mechanism for coordinating all urban area policies and programs at the only level where coordination can really work, the Executive Office of the President.

There are several important reasons why the bill to create a Department of Housing and Urban Development cannot provide the needed coordination.

First. There is nothing in the committee bill which would give the proposed new Secretary any power to coordinate urban programs outside his new Department which the present Administrator of the Housing and Home Finance Agency does not already possess or could not be assigned by the President.

Second. The new Department would have jurisdiction over less than 20 percent of the existing urban programs in the Federal Government.

Third. With the exception of the Federal National Mortgage Association, no programs, powers, or functions not now

assigned to HHFA would go to the new Department or its Secretary.

Consequently, the new Department would simply be the old agency under a new name.

No less an authority than the late President Kennedy, however, stated the case for our proposed coordinating office in the most persuasive terms. In his message to Congress in 1962 proposing the establishment of an Office of Science and Technology in the Executive Office of the President, he said—and I quote:

Science policies transcending agency lines need to be coordinated and shaped at the level of the Executive Office of the President, drawing upon many resources both within and outside the Government.

While the President credited the National Science Foundation with doing a good job of administering sizable scientific programs, he concluded that this operating agency could not do the coordinating job it had previously been assigned.

The Foundation—

He said—and I quote him again—

being at the same organizational level as other agencies, cannot satisfactorily coordinate Federal science policies or evaluate programs of other agencies.

This, in a nutshell, is our contention with regard to HHFA and the proposed new Department. In neither form can it successfully coordinate its equals.

As our colleagues will recall, Congress agreed with the President and approved his proposal for an Office of Science and Technology without opposition either in committee or on the floor of the House. The good judgment of this body has since been confirmed in the admirable way in which that Office has functioned.

What we are proposing today, Mr. Speaker, is that the House follow this successful precedent in a field—urban affairs and community development—where the circumstances are similar but the need for coordination is even greater than it was in the area of science and technology.

Our proposal is based solidly on experience and on the repeated recommendations of scholars and officials at every level of government. The Council of State Governments, the National Association of Counties, and the National League of Cities—formerly the American Municipal Association—have all, at one time or another, officially recognized the need and endorsed the approach followed by our bill. The Advisory Commission on Intergovernmental Relations, whose members include Cabinet officers, Senators, Representatives, Governors, mayors, county officials, State legislators and private citizens, has also strongly recommended the establishment of a unified policy for urban programs and the government-wide coordination of all such programs.

Mr. Speaker, to those of our colleagues who fear the ultimate growth of a new Cabinet-level Department into a mammoth organization embracing all urban area programs, I would urge support of our alternative as the best means of preventing such a development.

And to those who are truly concerned with the need for better service to our urban areas, for consistent policy and for efficient coordination, I also urge support of our alternative as the only effective means of achieving these tremendously important objectives.

I support the rule.

Mr. PEPPER. Mr. Speaker, I am unaware of any desire on the part of any of the Members on this side to speak on the rule. The gentleman from Illinois [Mr. ANDERSON] says that he has no further requests for time. So, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 6927, with Mr. Boggs in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 1 hour and the gentleman from Illinois [Mr. ERLBORN] will be recognized for 1 hour.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ROSENTHAL].

Mr. ROSENTHAL. Mr. Chairman, as a cosponsor of this bill and as a member of the Committee on Government Operations and of the subcommittee which held hearings on H.R. 6927—and as a Congressman from this Nation's largest city—I have a particular and pointed commitment to the passage of this legislation.

Life in American cities is not the good life. Over the past hundred years, we have built cities in which to live in health and happiness, only to discover that the resulting urban life is a major threat to those very goals. We are, in short, in danger of losing control over environment, in this case the environment where 135 million Americans live and work. I do not regard this as an exaggeration. It represents something close to a national crisis, and I am yet to be fully convinced that this country will have the imagination, skill, and commitment to overcome that crisis.

The measure before us today is long overdue. Yet it represents only a crucial first step in a project which has as its goal improvement in the lives of 70 percent of this country's population. It is my conviction that the debate and legislative history of this bill must record deep awareness of the enormous and intracta-

ble problems presented by the contemporary American city. It must be an occasion for us to weigh the gravity of our task, and the complexity of our goals.

The President's message on the problems of the city, sent to this Congress on March 2, was of historic significance. It documented, in simple and compelling terms, the extent of the American urban crisis. It reminded us, for example, that in less than 40 years the entire urban population of this country will double; urban land will double with it. We will need schools for an additional 10 million children; welfare services for 5 million more people over the age of 60; transportation facilities for the movement of 200 million people.

These projections would be of sobering impact even if our present cities were healthy and confident. But these new threats will be visited upon urban areas already subject to decay and dissolution.

In a society where technology and science accustom us to invention and innovation, it is hard for us to acknowledge the existence, let alone the threat, of social decay. And yet decay is the theme of the American urban crisis. There is the decay of buildings, of homes, of rooms, of plumbing—where there is plumbing. Nine million homes, most of them in our cities, are presently in urgent need of renovation. There is the decay of schoolrooms and other community facilities. And there is always the more vivid decay of pollution, in the air and water.

Such material decay breeds social, psychological, and often moral decay. The elderly, the poor, those discriminated against because of their race, those who are concentrated in ghettos of deprivation, all are subject to the more invidious demoralization which accompanies a loss of faith in one's environment—one's ability to change it. How can we expect our people to maintain their energies and spirit when their buildings, schools, and streets are in disrepair, with little hope of renewal? In the absence of hope, there develops a mentality of cynicism and alienation—and the life of the city is thus subjected to crime and violence.

What makes these problems all the more frustrating is the subtle interrelation and interpenetration of individual social problems. In projecting new programs of urban renewal, one must account for the demands of transportation. On relocating the residents of slums, one must be sensitive to the needs and attitudes of their new neighbors. The city, in other words, is a mechanism of such sensitivity that to tamper with one structure or one component, is to effect and often upset an unpredictable number of seemingly independent components. And this is all the more difficult because the political and jurisdictional definitions of the city are becoming less and less relevant to the problems of urban decay. The city projects appendages to itself, which we call suburbs. In one sense such units lie outside the purview and authority of the modern city. And yet the jobs of suburban citizens, and hence the entire quality of their lives, usually depend upon the

health and vitality of the central city. The threats of pollution, and inadequate transportation, of course, ignore the artificial jurisdictions of municipalities.

With their problems rising geometrically and their jurisdictions growing increasingly irrelevant, our city leaders face still another difficulty—the absence of satisfactory economic resources. In 10 years municipal tax revenues have increased by nearly 50 percent, but local indebtedness has doubled. The demand for trained personnel is going unmet. For the conviction that the modern city is unmanageable often infects the representatives of the people, as well as the people themselves. Reliance upon Federal resources is already well-established. It is now clear, however, that the existing structure of the Federal Government, as well as, in my opinion, the existing spectrum of Federal programs, is totally inadequate if the city is to meet its crisis successfully.

The first need in meeting the crisis of our cities is for enlightened planning, equipped with the full influence and resources of Cabinet-level authority. I do not believe this country and this Government are presently prepared to solve the problems facing our cities, because I am not yet convinced that the necessary programs have been or are being devised and developed. For the urban problem is still an intellectual problem, which must be met with careful thought and creative reflection. The new Department will be a repository for metropolitan planning. It will present a forum for innovation and imagination. But, most important, it will be an agency of coordination where scattered and undisciplined efforts can create as many problems as solve them.

Let me stress that from the organizational point of view the need for coordination of urban efforts is paramount. This is not to say that all programs pertinent to the cities must suddenly be put under the jurisdiction of this new Department. The Department of Agriculture, for example, profits from the water conservation and development programs of the Department of Interior, and the Weather Bureau programs in the Department of Commerce, and the farm labor programs in the Department of Labor. The Treasury Department finds no need to incorporate the Bureau of the Budget, the Federal Reserve Board, the Export-Import Bank, or the Federal intermediate credit banks. A Department of Housing and Urban Development will see to it that the needs of the American city are represented in the planning, consultation and administration of all Federal programs. This requires no radical alteration of existing programs and agencies.

In conclusion, Mr. Chairman, I want to reaffirm my conviction that the measure before us today should represent the threshold of a New Deal for the American city. I believe the problems obstructing that goal are the most difficult, frustrating, and demoralizing problems facing this country. They will multiply geometrically in the absence of aggressive Federal response, a response which should be initiated, led, planned, and co-

ordinated by a Department of Housing and Urban Development. But let me also say, in the interest of realism and sobriety, that these problems will persevere despite such a commitment. We must be prepared for that. For the issue, finally, is classic and fundamental: will we be the masters or the victims of our social environment?

Mr. RUMSFELD. Mr. Chairman, will the gentleman yield to me?

Mr. ROSENTHAL. I will be happy to yield to the gentleman from Illinois.

Mr. RUMSFELD. I quite agree with the gentleman that coordination is most important in the problems of urban areas. As he knows, I represent an urban area myself. However, of the items that the gentleman mentioned; namely, air pollution, water pollution, civil rights, crime, schools, streets, not one of these areas would be under the jurisdiction of this proposed new Cabinet rank Department of Housing, which Urban Development. Housing, which was also mentioned, would be. For all practical purposes, the Secretary of Defense or the Secretary of State would have as much authority in the areas that were listed as would the new Cabinet rank Secretary of the Department of Housing and Urban Development.

As you know, I favor a different proposal which I am convinced would provide the coordination which you obviously, from your remarks, are so anxious to see happen here.

Mr. ROSENTHAL. Let me suggest two rebuttals to what the gentleman said. On page 3 of the bill, it indicates the various advisory capacities and responsibilities that the new Secretary would have and I might read it to the gentleman so he will realize the area of responsibility that the Secretary has.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FASCELL. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROSENTHAL. In the first instance, the responsibility of the Secretary is to advise the President with respect to Federal programs and activities relating to housing and urban development. Second, it is to develop and recommend to the President policies for fostering an orderly growth and development of the Nation's urban areas.

And third, to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; to provide technical assistance and information, including a clearinghouse to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems.

It goes on for other areas. The point that I am trying to make is that you cannot categorize and departmentalize and put in cubbyholes all of the problems that involve our cities and surround our cities. I believe that at one Cabinet level we can meet and solve and deal with, think about and initiate, all of the various programs and responsibilities that our urban areas have today. You cannot simply put one in one area and one in another area. This sort of umbrella approach will be a very real way of meeting the challenge.

The gentleman's alternative proposal would be to take on the 13,000 employees of the HHFA and make them part of the executive branch. I really doubt that that is what the gentleman and his co-sponsors of the alternative really want. We do not want to build up the executive branch when their only responsibility is in the area of advising the President. This is a working department, not merely an advisory department. When both of them come under one roof, the administrative management functions and the advisory functions, I think then the first real step in meeting the urban needs will have been taken.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROSENTHAL] has expired.

Mr. ERLBORN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the opening paragraph of the minority views contained in the report of the Government Operations Committee on this bill rather cogently states the position of the minority; and I shall quote:

H.R. 6927 is unnecessary, will not accomplish what its proponents represent, and is contrary to sound principles of Government organization. It should not become law.

Mr. Chairman, ideally the legislative process, the thing we are all involved in, should involve three determinations as to any issue that is before us. First of all identify a problem; that there is a problem that is crying for a solution. Second, to determine if there is the necessity of Federal involvement in the solution to this problem and, if so, then, of course, it becomes a subject matter for us to be concerned with. And third, to construct the best possible solution to that problem.

In my opinion, the first two steps in this legislative process can be agreed upon by both sides in relation to this question. There is a problem, the problem of orderly development of our urban areas; and secondly, I think we have long ago determined that there is a necessity of Federal involvement. Witness the many programs we have at the Federal level directed to providing solutions or aiding in the providing of solutions to the urban problems that face our urban areas throughout the country.

It is at the third step of this legislative process that we disagree. The majority, at the request of the President, have introduced this bill to solve the problem of the coordination of the urban problems and the Federal involvement in the solution of urban problems by the creation of a Cabinet-rank department. So we agree on one and two, and on number three we disagree, because the minority, or at least many Members of the minority, have sought and found what we consider to be a better solution. Admitting that we have many programs at the Federal level and that they need coordination, many Members on this side of the aisle have introduced similar bills for the creation of an Office in the Executive Office of the President to provide the overall coordination that everyone agrees is needed.

As I see the levels of the Executive De-

partment we have certainly at the top level the President, and included therein the Executive Office of the President directly responsive to him.

Second, you have the Cabinet-rank departments; and third, the various agencies of Government.

Mr. Chairman, I submit that the direction which the minority takes in the solution of this problem is to put this right at the highest level in the ranks of the Executive responsibility, in the Executive Office of the President, and not at the second level, the Cabinet-rank department.

Mr. Chairman, this is why we state in the preamble to the minority views that the bill under debate is contrary to sound principles of law or of Government organization, because we are not seeking the solution at the highest level where coordination can best be provided.

The bill under consideration, H.R. 6927, in fact provides little or no coordination. It puts the emphasis entirely in the field of housing. In substance, all but one paragraph or one section of this bill is directed to the elevation of the Housing and Home Finance Agency to Cabinet-rank status.

What we really will do in the passage of this bill is to certainly agree and provide that the Federal Government has a permanent and an expanding role in the field of housing. This could be the only purpose in elevating HHFA to Cabinet status, and the only result.

In addition, Mr. Chairman, one of the constituent agencies of HHFA is the FHA. This particular agency which is one of the constituent agencies of HHFA, the Federal Housing Administration, is one of the most respected of all Federal agencies involved in the field of housing.

Mr. Chairman, the FHA has enjoyed excellent relations with the private mortgage bankers, the private mortgage market, and also with the individuals, the homeowners, who have sought help from FHA.

Mr. Chairman, it has been pointed out in the testimony before the subcommittee on this bill by the Mortgage Bankers Association that there is no clear-cut provision in the pending bill as to what the future of FHA will be and, in fact, during the full committee executive session considering this bill, I offered an amendment to the bill that I think would have vastly improved its appeal by specifically providing for the continuance of FHA, with the appointment of a Federal Housing Administrator by the President, instead of the new Cabinet head assigning these duties to some assistant secretary.

Mr. Chairman, as to the first two objections that are set forth in the minority report, we hold that this bill is unnecessary, not because of an unawareness of urban problems, but because there is no need to elevate the Housing and Home Finance Agency to a Cabinet-rank status. All of the witnesses who appeared before the subcommittee agreed that HHFA and its constituent agencies had done a good job. They had no complaint about the quality of the work of HHFA.

Mr. Chairman, there is no magic solution to the problems that face our urban

areas, merely by raising to a Cabinet status this agency and giving it little or no new powers, and really no opportunity to coordinate the many programs that are presently engaged in by the Federal Government.

Secondly, the accomplishments that are claimed for this bill by the majority cannot really be accomplished by the enactment of this legislation.

The much-advertised, one-stop service for the mayors of our communities has been the appeal of similar legislation for the creation of a Department of Urban Affairs. Mayor Daley, of Chicago, in testifying before the subcommittee, admitted that the passage of this bill will in no way provide a one-stop service for the mayors of our communities in their dealings with the Federal Government. As I pointed out in a question put to Mayor Daley, of Chicago:

I think it is interesting to note that although housing is one of the major concerns of our cities, there are many other problems that our cities face.

If you have a highway construction program you go to the Department of Commerce; a flood control problem, you go to the Department of Agriculture.

I am speaking about after enactment of this bill, not at the present time.

These same steps will be necessary for our urban areas. Improvement of rivers and waterways you go to the Corps of Engineers, water pollution, you go to Health, Education, and Welfare, disaster relief, you go to the Emergency Planning Board, the Executive Office of the President, Civil Defense you to the Defense Department, employment problems you go to the Department of Labor, school lunch programs—certainly very important in our area—you go to the Department of Agriculture. We could go on and on.

In other words, the enactment of this bill does not put all of these programs in one place where they can be coordinated. The alternative solution is the creation of a new office in the Executive Office of the President where these programs can be coordinated at the top level. Even as to the one area, the only area that is really covered by this bill, the area of housing, the bill does not do what its sponsors claim for it.

The sponsors of the bill claim this will put the problem of housing at Cabinet status. In the testimony it appears only about one-third of the Federal Government funds involved in housing will be in this new Cabinet-rank department.

It was pointed out in the committee hearings that a full two-thirds of the funds of the Federal Government added to this program of housing and urban development would not be touched by the passage of this bill. I refer to our programs under our Office of Education, and under the Home Loan Bank Board, that control two-thirds of the funds of the Federal Government in Federal housing. This bill will not accomplish anything more than to raise the one-third of housing in HHFA to Cabinet rank. Therefore I think the bill should be defeated and the substitute should be adopted.

Mr. FASCELL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the bill, H.R. 6927, which would establish a new executive Department on Housing and Urban Development. This is an historic step that will put our Government in better position to aid our urban communities, to administer housing programs, and to aid and to improve the possible development of problems that are growing more difficult, as we all know.

Living as I do in an urban community, the county of Los Angeles, which has 7 million people in it, more than many of the States in the Union and more than several of the States added together, I am particularly cognizant of the problems that we in the cities face. Seven out of ten people in our Nation today live in urban areas. There are 125 million people living in cities and suburbs of this country. These people are concerned with housing, land use and planning services, mass transportation, and other public facility requirements. Eighty percent of our population in the next 35 years will live in cities or suburban areas.

When the Department of Agriculture was set up to look after the problems of agriculture, 70 percent of our people lived in the farm areas.

Now that condition is reversed and we face an emphasis on living in urban areas and, therefore, we believe this is a timely move on the part of the administration to focus attention on these basic problems of physical properties and physical property planning which are related to cities particularly.

Now I want to answer an argument which is frequently made and has been made here on the floor of the House today. That all of the matters pertaining to urban living should be in one department. Why God bless you, if we did this we would have 80 percent of all the Government functions in one department. That is why we cannot take the Department of Health, Education, and Welfare and put it in. We cannot take the Veterans' Administration and housing and services and put them into this bill. If we were to do just what has been said in the nature of criticism of what we are doing, the very people who are criticising us today for not doing enough would be criticising us for doing too much—for building up a great urban department concerned with urban affairs—a great ogre, a great bureaucracy. We would hear all of those terms used.

I say in all kindness to my friends who say that we are not doing enough, let us go ahead and do the basic things that have to do with housing in the cities, with mass transportation and with other development programs and planings and services within the city. Let us set up this department. Then, if later on the Congress decides it wants to add some additional duties that are pertinent to the people of the city that are not receiving the emphasis they should receive, then there would be plenty of time to do that.

But let us legislate a basic founda-

tion organization at the present time and get this new Cabinet-level position established so that the Secretary of Housing and Urban Affairs can speak at the same level as every other Secretary of a Cabinet-level department. So he can speak with the same authority and the same prestige and sit in on the councils of the President with the same prestige and with the same authority. What we are attempting to do is just to give to the Secretary of a Cabinet department, charged with the basic physical properties that are involved in housing and home finance and the public housing administration and the Federal National Mortgage Association and the programs for the elderly and the program for college housing and all of these things that we have mentioned, to put them together in one department where we will have one responsible head in the place of a number of heads created by statute which results in confusion in the contacts between local governments and the Federal Government in regard to the problems that they have on the urban level.

During our committee, the gentleman from Illinois [Mr. ERLBORN], one of our respected members on the minority, offered an amendment. I do not know whether it will be offered again today, but I am going to call it the Erlborn amendment because of its author. He sought to set up within this Cabinet position what amounts to a completely autonomous department inside a department. In other words, to transfer to the department the Federal Housing Administration and place within this Cabinet-level department all of the offices, employees, insurance funds, assets, liabilities, contracts, property records and obligations, together with all of the functions and powers of the Federal Housing Administration, which are now vested in the Housing and Home Finance Administration. The same transfer of properties and responsibilities now vested in PHA, URA, CFA, and FNMA is also made. Their statutory powers and responsibilities would be placed in the person of the new Secretary of Housing and Urban Development.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I gladly yield to the gentleman.

Mr. YOUNGER. Are there any agencies or departments that you have mentioned combined into this new Cabinet post that are not now under the Administrator of Housing and Home Finance?

Mr. HOLIFIELD. All of these functions I mentioned that have been created by statute by the Congress are under the Housing and Home Finance Administration at this time.

Mr. YOUNGER. That is right and they are all under one boss already?

Mr. HOLIFIELD. That is right.

Mr. YOUNGER. And the only thing you are attempting to do is merely to give to that man who is now responsible, a Cabinet post?

Mr. HOLIFIELD. Well, not exactly. We are planning to set up a Cabinet level position and we are going to invest in a Secretary of the Cabinet the re-

sponsibilities which are now vested by statute in a half dozen different people.

Mr. YOUNGER. They are all vested now, in the Administrator are they not? That is what I am trying to find out.

Mr. HOLIFIELD. I am sorry to say the statute gives the Administrator of Public Housing certain statutory authorities. They are under the Housing and Home Finance Administrator, but not under his authority. In other words, he cannot overrule the statutory powers given to the different administrators by the Congress.

We are trying to do what the Hoover Commission advocated. We are trying to coordinate related authorities, functions and responsibilities which have been placed in several different administrators by statutes of Congress, taking away from them the authority and responsibility under the present statutes and placing that in the Secretary of the Department.

The Secretary of the Department is to be responsible for the functions of the different divisions of the Cabinet-level Department. Authority is to be vested in the Secretary, and not in the different administrators.

The Erlenborn amendment sought to put all these statutory responsibilities in what was to be called a Federal Housing Commissioner, though it did pay the concept of a Cabinet-level Department lip-service. It said, "under the supervision and direction of the Secretary." How could it be under the supervision and direction of the Secretary when the authority and responsibility was placed in another man?

If that amendment is offered, I want the Members to know exactly what is the issue. The issue is whether we will have divided authority in the Cabinet Department or whether we will have the authority and responsibility to answer to the Congress in one man at the top, as is now the case with respect to the Secretary of Agriculture, the Secretary of the Treasury, the Secretary of Defense, and all other Cabinet-level positions.

We seek to do exactly what we have done in the other Cabinet-level departments of Government.

I wish to address myself briefly, in the time remaining, to the substitute bill which I understand will be offered on a motion to recommit.

We considered all of the facets of this problem, I believe, during the past 2 or 3 years, when we had this and similar legislation before us.

The substitute bill seeks to place in the Executive Office of the President a considerable bureaucracy answerable to the President for the coordination of these programs which Congress has set up. This, of course, is ridiculous when one starts to think about it.

If Members will read Mrs. DWYER's bill, they will see the scope of function and the number of personnel involved in the proposal of Mrs. DWYER to locate this function in the Office of the President. We must remember that if this is done, the head of that commission will be answerable to the President.

Under the present arrangement a Secretary in the Cabinet is not only respon-

sible to the President for implementation of the programs but is also responsible to the Congress of the United States. I am not in favor of building up the Executive Office of the President and putting functions in it which by statute have been put in Cabinet level secretaries, who have been answerable not only to the President but also to the Congress.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. ROSENTHAL. I should like to bring to the gentleman's attention the testimony of Mr. Bernard Boutin, formerly the Administrator of the General Services Administration, who testified in support of the bill. This is to be found on page 12 of the report. Mr. Boutin said:

There is a vast difference between the standing in the councils of the executive branch of the head of an independent agency and the status of a member of the Cabinet. A very good example of this is the ability of a Secretary of Housing and Urban Development to talk as an equal with the Secretary of the Treasury on monetary policy, which is vastly important to the whole homebuilding industry.

Mr. HOLIFIELD. That is true. The National Association of Home Builders asked for special recognition to be given to the functions of the agency supporting the private mortgage market.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FASCELL. Mr. Chairman, I yield the gentleman from California 1 additional minute.

Mr. HOLIFIELD. Mr. Chairman, we do have a committee amendment which I advanced in the committee and which is found on page 4. It will give proper recognition to that function by placing it under one of the Assistant Secretaries. We believe this is all that is necessary. We do have a letter which will be read later from the Bureau of the Budget and will be put into the record, from the Bureau of the Budget, in regard to this matter, showing their approval of the amendment.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 14, 1965.

HON. WILLIAM L. DAWSON,
Chairman, Committee on Government
Operations, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your inquiry as to whether the name "Federal Housing Administration" would be retained within the Department of Housing and Urban Development which would be established by H.R. 6927 and also as to whether the Bureau of the Budget has any comment with respect to the amendment adopted by your committee to section 4(a) of the bill, relating to the administration of mortgage insurance functions within the Department.

The Bureau is aware of the concern that has been expressed by segments of the homebuilding and mortgage banking industries that the Federal Housing Administration will be in some way downgraded as a result of the establishment of the proposed Department. This concern has led to a proposal, incorporated in your committee amendment, that one of the Assistant Secretaries of the Department shall be designated to administer, under the supervision

and direction of the Secretary, departmental programs relating to the private mortgage market. It has also given rise to inquiries as to whether the name of the Federal Housing Administration would be retained for the departmental organization that handles mortgage insurance.

As you know, the administration bill, as introduced, was silent on matters of detail affecting these issues. However, there are no grounds at all for concern that the FHA and its programs will be downgraded. On the contrary, the Agency and its programs would for the first time be represented directly in the President's Cabinet. This is so because final responsibility for the functions would be vested in the Secretary who would, of course, be a member of the Cabinet.

With respect to your first question, the Bureau is fully aware of the value inherent in preserving the familiar terminology of the Federal Housing Administration and is confident that the Secretary of the proposed new Department, whoever he may be, will so organize the Department as to preserve the advantages of this well-known name. This is not to say that each and every function or internal organizational arrangement of the FHA will be indefinitely frozen within the Department. However, I do mean to indicate that the basic mortgage insurance functions will undoubtedly continue under the Department to be identified officially with the name "Federal Housing Administration."

The Bureau of the Budget has carefully considered the language of the amendment proposed by the committee to section 4(a) of the bill. In view of the importance of the private mortgage market programs for which responsibility would be assigned to an Assistant Secretary, I am confident that such an assignment would be made by the Secretary whether or not an amendment were adopted expressly requiring that this be done. Although the Bureau does not believe that such assignments should be made in the legislation itself, in this specific case, and in view of the considerations discussed above, the Bureau has no objection to the assignment of responsibility which your committee's amendment is designed to accomplish.

Sincerely,

CHARLES L. SCHULTZE,
Director.

Mr. ERLBORN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. GRIFFIN].

(Mr. GRIFFIN asked and was given permission to revise and extend his remarks.)

Mr. THOMSON of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 138]

Ayres	Frelinghuysen	Mink
Bonner	Hagan, Ga.	Morton
Bow	Hamilton	Passman
Bray	Hanna	Pike
Brown, Ohio	Harvey, Ind.	Pirnie
Cederberg	Hébert	Powell
Chamberlain	Ichord	Resnick
Corman	Irwin	Rivers, Alaska
Curtis	Jacobs	Selden
Dingell	Keith	Stafford
Duncan, Oreg.	McMillan	Steed
Evins, Tenn.	Macdonald	Toll
Farnum	Martin, Ala.	Vivian
Findley	Martin, Mass.	Wilson
Fisher	Martin, Nebr.	Charles H.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6927, and finding itself without a quorum, he had directed the roll to be called, when 390 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. GRIFFIN. Mr. Chairman, I wish to assure my colleagues that I did not instigate the quorum call. However, I believe this measure is important. If this bill passes, it will have long-range, far-reaching effects, and it ought to have the attention and careful consideration of the full membership of the House.

The bill, by its title, would establish a new department of housing and urban development, but I believe it borders on being a legislative hoax. I say that because the title holds out an unfulfilled promise; it misleads people into believing that by creating a new department, the Federal Government will somehow solve all of the problems of the urban community when, in fact, this measure, psychologically at least, will tend to weaken State and local governments, and it will create greater unjustified dependence upon a new Federal department.

Our very able and distinguished colleague from California, [Mr. HOLIFIELD], whom I always find to be very candid and very fair, helped to put this issue into proper focus. He pointed out, quite correctly, that the bill does little more than to merely elevate the existing Housing and Home Finance Agency to Cabinet level, that the bill does not provide for the transfer of functions of many agencies of the Federal Government which now have a direct impact upon urban affairs—for example, that it will not transfer functions relating to civil rights, education, public health, air pollution, manpower development training, and so on. The gentleman from California pointed out how impractical it would be to make many of these transfers, and he said that if Congress were to transfer all of the various functions which have an impact on urban problems, fully 80 percent of the Federal Government's functions would be vested in such a new Department of Housing and Urban Development.

Obviously, we do not wish to transfer many of those functions. It would not make sense to do so. What is really needed and desired is better coordination of the many existing activities and functions as they apply to urban problems.

Incidentally, the gentleman from California indicated that the minority members were critical because many of these functions were not being transferred under the committee bill.

I want to assure him that we are not critical because these many functions are not transferred. But it is essential to an understanding of the bill to realize

that many of the functions important to urban problems are not being transferred to the proposed new department. We would not want many of these functions transferred. The fact that they are not being transferred helps to point up what the real function and purpose of such a bill as this should be: to establish better coordination.

But what Cabinet officer, or which of the other members of the Cabinet, is relegated to the role of being a mere coordinator? Is this an appropriate function for the establishment of a whole new department of the Federal Government, or is it a function which could more appropriately be handled by someone operating in the office of the Presidency?

How could an official who does not have jurisdiction over education, public health, welfare, manpower development and training, do anything more than merely coordinate? It seems to me it borders on the ridiculous to set up a whole new department of Government, to establish a new Cabinet post, to carry out the function of a liaison man—to gather material and information about existing programs and agencies and to help coordinate the various agencies already established in to assist in the solution of urban problems. The approach of the committee bill just does not make sense.

Although the argument has not been expressed here today, it is sometimes indicated that a Department of Urban Affairs ought to be established in order to balance the establishment of the Department of Agriculture.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ERLBORN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. GRIFFIN. If there needs be, and ought to be, any kind of a counterpart to the Department of Agriculture, then it would seem to me that it is already established in the Department of Labor. Food, the production and distribution of which involves the Department of Agriculture is not of importance only to rural people; food is a concern of all people. People in the cities as well as the people on the farms and in the urban areas are interested in, and ought to be concerned about the problems with which the Department of Agriculture deals.

This proposal before us today to establish a Department of Urban Affairs, I suggest, is a divisive approach to the solution of problems. It suggests that departments ought to be established, not on the basis of functions or responsibilities, but rather as some kind of a representative of people who live in particular areas. It would be just as logical, I submit, to establish a Department of Western Affairs, or a Department of Great Lakes Affairs, or a Department of Southern Affairs. Should the Congress also establish a Department of Suburban Affairs, or is that to be a subdivision of the Department of Urban Affairs?

The substitute proposal which will be offered by the gentlewoman from New

Jersey [Mrs. DWYER] to set up an agency within the office of the Presidency to coordinate existing programs which directly bear upon urban problems, offers a much better solution than the bill which the committee has reported. The Dwyer substitute would provide something that our mayors and our city officials really want. They do want a one-stop coordinating service. When they come to Washington, they would like to go someplace and be able to obtain information and to obtain answers to their questions about various existing programs related to urban problems.

The substitute bill would provide that one-stop coordinating service. The committee bill will not.

The committee bill would merely elevate the Housing and Home Finance Agency, which handles only about one-third of the housing problems of our Federal Government to the rank of Cabinet level.

So those Members—and that includes me—who are truly concerned about urban problems, who want to do something to help our cities, something that will be constructive and will not mislead, I urge you seriously and on a nonpartisan basis to support the substitute bill that will be offered.

Mr. FASCELL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. REUSS].

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. REUSS. Mr. Chairman, the case for a Cabinet-level Department of Housing and Urban Development is very simple. The problems of our cities—housing, urban renewal, community facilities, mass transit, open space—are so important that they should not be relegated to a low level sub-Cabinet agency.

Let me say I agree with the gentleman from Michigan [Mr. GRIFFIN] when he pointed out a few moments ago that problems like housing, urban renewal, mass transit, are not Democratic or Republican problems; they are national problems.

There will be an effort made to substitute for the pending bill a text introduced by the distinguished gentlewoman from New Jersey [Mrs. DWYER], to set up in the White House an Office of Community Development. As far as I am concerned, one more White House office of expeditors and coordinators, this one devoted to urban affairs, might do no harm, and might well help. But it is simply no substitute for setting up a Cabinet-level department. You either believe that the affairs of our cities deserve Cabinet rank or you do not.

In view of the fact that the reaction from our minority friends to the suggestion of a Cabinet-level Department of Urban Affairs has been, to say the least, quite lukewarm, let me see if I can generate a little enthusiasm on the minority side for it. Let me take as my text a most moving article which appeared some years ago in *This Week* magazine. On the cover of *This Week* is a picture of our distinguished friend,

then the ranking Republican member of the House Government Operations Committee, the gentleman from California [Mr. YOUNGER], who just got through a few minutes ago speaking against the bill today to make a Cabinet-level department out of the Housing and Home Finance Agency. The caption, over a picture of Congressman YOUNGER is, "What can we do to make our American cities better, cleaner, happier places to live in? Representative YOUNGER of California has an exciting solution. Read this article. Let us have a department of urbaculture."

In the article our distinguished colleague from California went on to say:

I feel that a brandnew department of government with a Cabinet status should be created. Its job would be to deal with the problems of the new, forgotten man—the American who lives in the city or the suburbs. I am only suggesting that the Government give the city man the same consideration it now gives its country cousin. This is not a new revolutionary suggestion. Several countries have Cabinet-rank departments concerned with housing and urban affairs. I don't think we should waste 25 years debating its merits before establishing the Department of Urbaculture as we did with the Department of Health, Education, and Welfare. Right now is the time to begin making city living livable again. And it's also as good a time as any to give that underprivileged citizen, the city slicker, an equal voice in government with his country cousin.

That article appeared on August 5, 1956. In my first term here I was so taken with the logic and directness of the Republican leader of the House Government Operations Committee that from that day to this I have been an enthusiastic propounder of the theory that we ought to have a Cabinet-level Department of Urban Affairs.

Incidentally, Mr. Chairman, similar legislation to this was vigorously supported by President Eisenhower's two Housing Administrators, Mr. Albert Cole and Mr. Norman Mason. The Eisenhower Bureau of the Budget agreed with the position that the Housing and Home Finance Agency deserved Cabinet-level status.

Mr. Chairman, Republicans 9 years ago saw the need for a Cabinet-level department devoted to cities and ever since then every single problem of our cities has become more intense and the need for a Cabinet department is greater today.

Mr. Chairman, I hope that our friends on the Republican side will reconsider the course upon which they are apparently embarking and will at least catch up to where they were 9 years ago.

Mr. Chairman, speaking for myself, I am quite willing to call this new department a Department of Urbaculture much as the name distresses me, if we can get a little Republican held and support in doing justice to our cities and in saying that we have a Department of Urbaculture.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I am pleased to yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I too am pleased that the gentleman from Wisconsin has brought this matter to

the attention of the House of Representatives, because I have a high personal regard for my colleague from California [Mr. YOUNGER]. I find myself in complete accord with his sentiments as expressed in 1956.

Mr. REUSS. I thank the gentleman from California.

Mr. ERLÉNBOURN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LINDSAY].

(Mr. LINDSAY asked and was given permission to revise and extend his remarks.)

Mr. LINDSAY. Mr. Chairman and Members of the Committee, a very long time ago Plato observed that "they have filled the city full of harbors and docks and buildings and all of that and have left no room for reason or justice."

What was true of Athens more than 2,000 years ago is true of the cities of the United States today.

We now take up an opportunity to restore to them both reason and justice; reason in that the cities and their environs are the home of the great majority of the people of the United States which we in Congress represent, and justice in that Congress should rectify the fragmented representation allowed our cities at the highest levels of the Federal Government.

Mr. Chairman, I first introduced a bill to establish a Department of Urban Affairs in 1960 and have introduced it in every Congress since then. One of the reasons that I authored and introduced the bill was my own personal view of the executive branch when I worked in it in 1955 and 1956. In those days I was in the Justice Department. One of my jobs was to work with the President's Cabinet.

I know perfectly well, Mr. Chairman, that some Presidents use the Cabinet to a greater extent or effect than do other Presidents. But it is always true that the Cabinet is the highest council in the executive branch of Government, and what is said or what is argued or fought for there may have a lasting impact upon the future course of national affairs.

I know also, Mr. Chairman, that no Cabinet officer is supposed to be just a lobbyist for the particular area that he represents. The Secretary of Agriculture is not necessarily just a spokesman for the farmer.

The Secretary of Labor is not supposed to be purely a lobbyist for members of the labor force.

The Secretary of Commerce is not supposed to be just a spokesman for business.

But the fact is that these various interests in the United States do get representation at the Cabinet level through Cabinet officers.

Meanwhile, what has happened to the consumers of the United States? What has happened to the long-forgotten person in our crowded cities, very often living alone, living by a wage check, trapped in the cost-of-living increases and all of the other pressures that surround him? He is at the mercy of every pressure.

Who is his representative at the highest council table of our Government?

I think it is reasonable to assume that in some cases in modern history subjects such as housing in our cities have been shortchanged because of the absence of a voice at the Cabinet level. It is time that the interests of the consumers in our cities which have been unrepresented at the Cabinet level be now represented at the Cabinet level by a Secretary of Housing and Urban Development.

Agriculture, labor, and commerce all have a Cabinet-level voice in the executive department. But not the cities, whose aggregate interests certainly deserve equal attention and direction.

The troubles of the cities are increasingly susceptible to national solutions. The awareness of these problems and the design of programs by which the Government can ease or correct them should be placed regularly and forcefully upon the Cabinet table.

The Federal role in the affairs of our cities is most apparent along the Atlantic coast, where we already are witnessing the creation of a huge supercity, spreading irregularly from Boston to Norfolk. New York City, a part of which I represent, will be at the center of this formidable complex of power and, we hope, prestige. The problems inherent in this urban expansion pattern will not respect the traditional delineations of authority and responsibility along city, county, and State lines. Air and water pollution, to name just two examples, have for some time been recognized by Congress as interstate problems requiring Federal participation. There are many, many more.

I think that perhaps our most urgent responsibility is to plan the growth of our city complexes so that expansion is properly channeled. An urban outburst of the kind already underway cannot be properly directed by isolated, parochial committees and studies. The need is for comprehensiveness, and it should logically develop from the highest level of our Government.

It is for the reasons I have outlined that I support the establishment of a Federal Department of City Affairs, by whatever name it finally is assigned. The bill before us today closely parallels a bill I first introduced in 1960 to create a Cabinet office charged with furthering the interests of urban America. Its immediate value would be to pull together and raise the status of the proliferation of agencies concerned with cities. Congress accepted the principle several years ago in the social welfare field; the result was the Department of Health, Education, and Welfare.

The preamble to the Lindsay bill states in part:

The rapidly increasing urbanization of the United States, with its accompanying social and economic changes, creates new and accentuates existing problems in fields such as housing, urban renewal, slum clearance, prevention and elimination of urban blight, air and water pollution, water supply, sewage facilities, transportation, and many others.

As the proportion of the population of the United States living in urban areas increases, the needs of the urban population, especially in the field of housing, will become increasingly serious. The burdens placed on facilities and services in urban areas by their

rapidly increasing population are such that existing facilities and services daily become more inadequate. Ever-increasing efforts are continually required in order to maintain such facilities at current levels, and still greater efforts are required to provide even minimal improvements therein.

The needs of urban areas are so pressing, and have such an impact upon the Nation as a whole, that Federal action is required to assist in meeting the problems of urban areas through housing programs, and through education, research, technical services, and other programs designed to assist in meeting the needs of urban areas.

The passage of 5 years has not lessened, but intensified these needs.

My bill, like H.R. 6927 before us today, provides for the transfer of all functions of the Housing and Home Finance Agency—including the Public Housing Administration, the Federal Housing Administration and the Federal National Mortgage Association—to the new department of city affairs.

Enactment of this legislation will not add to the Federal budget; increased efficiency, in fact, may lead to some economies. The bill simply assembles under one roof the varied Federal functions dealing directly with cities, thus permitting a consistent and coordinated approach to the multitudinous problems of the cities and suburbs.

It has been argued by many including some of my closest colleagues—that the problems created by the exploding metropolis are not necessarily answered by placing Federal responsibility for urban matters in a single organizational unit—that it is a matter of emphasis, not method. The contention, however, also was directed against the inception of the Department of Health, Education, and Welfare. Yet the Department has formulated a philosophy which marks off more clearly than ever in the past the separate responsibilities in these fields of the Federal, State, and local governments.

It has also been argued that what the bill aspires to do can be accomplished through research. Research, however, can be wasteful and ineffective unless it is organized from top to bottom, not inversely. The Department of Health, Education, and Welfare has done this. It has been able to keep pace with the times, not by preempting local responsibility, but by determining the nationwide scope of social welfare problems.

Congress established the Department of Agriculture in 1862, when the United States was still a predominantly rural country. In 1953, the creation of the Department of Health, Education, and Welfare signified that the composition of the country was substantially urban. That was 12 years ago and now more than two-thirds of all Americans live in or near a city. Yet we spend more Federal money on potato research than we do on urban economics.

It is appropriate perhaps, to describe what Congress is attempting to do in creating a city affairs department from the viewpoint of a typical, but fictional, mayor.

The mayor is undertaking an urban renewal project in which some buildings will be torn down and others rehabilitated. Air pollution and sewage disposal

demand attention—and money. An eight-lane expressway, part of the Interstate Highway System, is scheduled to cut through downtown business properties. The route alignment also strikes across a valuable park. The chamber of commerce is after the mayor to try to build a new airport. Rumor has it that an electronics firm holding remunerative Army Department contracts is looking for a site in town. Petitions are on his desk for more public housing. A veterans' hospital is scheduled to be closed down with a loss of hundreds of jobs. The high school constructed only 5 years ago is already overcrowded. The civilian defense organization needs help. The city's welfare expenses are increasing each year. The tax rates are a continuing source of complaints and the city's borrowing authority is almost exhausted.

The mayor decides to take his troubles to Washington, which at least gets him out of town for a while.

The mayor is uncertain about where to begin in the Capital. He does not know the Senators from his State, and his Congressman was elected to office by defeating the mayor's son-in-law. Consequently, he looks up some addresses in the telephone book and hails a cab.

A week later, the mayor has enduring memories of the ceilings of waiting rooms in the following Government offices: The Housing and Home Finance Agency, the Community Facilities Administration, the Public Housing Administration, the Sanitary Engineering Division of the Department of Health, Education, and Welfare, the Federal Aviation Administration, the Bureau of Public Roads, the Veterans' Administration, the Interior Department, the Army Corps of Engineers, the Defense Department, the Labor Department, the Office of Civil Defense Mobilization, and the Executive Offices of the White House.

The mayor returns home with referrals to a dozen other units and subunits of his Government, a briefcase crammed with regulations, forms and applications, and a notebook filled with telephone numbers and the misspelled names of Washington supernumeraries. He is discouraged and saddened—until he next attends a mayor's conference. There he learns that most other mayors have had the identical experience.

The activities of the Federal Government in assisting cities are administered by at least five major departments and independent agencies, and at least as many lesser ones. Each department or agency has several bureaus, divisions, or branches concerned with urban living. Many of the offices have conflicting rules or regulations.

I believe the bill before us represents a large step toward the effective consolidation of Federal functions concerning the Nation's cities and suburbs. It will not end all the logistical and procedural difficulties encountered by the fictional mayor, but it is a start. It should be passed.

The bill does not contain what I believe to be a valuable provision of my bill—the establishment of a Federal Urban Affairs Council. The Council would have been appointed by the President to

advise on the programs and policies to be pursued by the new department. But I shall not quibble about this omission. I think this bill will do the job; it is important and necessary to those Americans who live in our cities and suburbs and also in considering this bill to those who do not. I would urge my colleagues to be mindful of something said of the city of Washington many years ago:

What you want is to have a city which everyone who comes from Maine, Texas, Florida, Arkansas, or Oregon can admire as being something finer and more beautiful than he had ever dreamed of before; something which makes him even more proud to be an American.

The sentiment should not be restricted to the Nation's Capital. We have the opportunity today to contribute directly and substantially to the time when all Americans will take pride in all our cities. Reason and justice dictate that we do so.

Mr. FASCELL. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Chairman, your Committee on Government Operations on which I have the honor to serve is charged under the Rules of the House of Representatives with the study of the operations of Government activities at all levels with a view to determining economy and efficiency.

Partly because of historical reasons the structure of the Housing and Home Finance Agency is not a model of efficient organization. When the Housing and Home Agency was first established 18 years ago its main purpose was to supervise and coordinate the various housing programs then in existence. Each subordinate agency kept its own identity and most of its autonomy. New programs established since then—such as community facilities, urban renewal, urban planning, mass transportation, college housing, and housing for the elderly, did not change the nature of the HHFA. It remained, as the Committee report notes, a kind of "holding company" in its organizational structure. For example, the powers and functions of the Federal Housing Administration and the Public Housing Administration have remained with the Commissioners of those agencies.

Now, this type of supervision goes directly contrary to the philosophy of the Government Reorganization Commission headed by the late Herbert Hoover.

In its very first report the Hoover Commission said that:

Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

By making HHFA a Cabinet-level Department we would be following directly the Hoover Commission precepts and philosophy. Existing "jumbled lines of authority" would be brought together in an organization with greater unity of purpose and objectives.

The Secretary of Housing and Urban Development would be more clearly responsible to the President and to the Congress.

It would provide in the executive branch too a center through which policies affecting housing and urban development are coordinated, correlated and articulated at the highest level of Government. Just as other Cabinet officers speak for the President and exercise influence throughout the entire executive branch, so would the new Secretary of Housing and Urban Development exercise leadership in his field.

By recommending the reorganization of HHFA into a new streamlined Department, your Committee on Government Operations is complying in full measure with its mandate to study the operations of Government activities with a view to determining economy and efficiency.

I urge the enactment of H.R. 6927.

Mr. ERLÉNORN. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. GURNEY].

(Mr. GURNEY asked and was given permission to revise and extend his remarks.)

Mr. GURNEY. Mr. Chairman and colleagues, I rise in opposition to the bill, H.R. 6927. Actually this is not a new idea, of course. It really is not a key piece of legislation of the Great Society like some of the bills we have considered here on the House floor this year. This idea has been kicking around in one form or another since, I understand, about 1950 and actually did not pick up much interest at all until the first year of the Kennedy administration. Then, of course, a bill came out of the Committee on Government Operations. It went to the Committee on Rules and was turned down. Then, the next year the President sent up an Executive order to see if he could do it this way, and this time this body rejected the idea by a vote of 264 to 150.

Now we have it back again. I think one of the interesting things about it is the change in the bill. The only change in the bill is in the title. It was known as the Department of Urban Affairs and Housing and now it is known as the Department of Housing and Urban Affairs. This is the only change in this idea that has been kicking around for, lo, these many years.

Now what does the bill do? This has been brought out again and again by the speakers and yet as the gentleman from Michigan said, it is an important bill and I think we might bring out again exactly what it does. What it will accomplish will be to elevate the Housing and Home Finance Administration to Cabinet status and include in the new Department the HHFA, the FHA, the Federal National Mortgage Association, and the Public Housing Administration and it puts a new hat on the man who runs these agencies and will make him a Secretary.

That is one thing it does. The other thing it does, and here is where a whole lot of people are being badly fooled and this has to do with the urban affairs part of it—all this does is to say that this new

Cabinet officer will be a coordinator and an adviser to the President on urban affairs. It does not give him a single shred of authority or power to do anything about urban affairs. This thing came out again and again in the testimony presented before the committee.

Now it is always interesting, I think, in analyzing a bill to inquire what the bill does not do. In the first place, it does not put into a new Department the housing affairs of this Nation. As has been brought out here, about one-third of housing will be put into the new Department and two-thirds of the housing will remain out of the Department. The other thing it does not do, is that there is no change in status as far as urban affairs are concerned. It was brought out in the testimony in the subcommittee hearings that about 70 agencies of the Government now function in the various departments under other Cabinet officers and not a single one of these agencies is going to be changed. The new Secretary will not have a shred of authority or power over a single one of these agencies.

The sum and substance of this legislation, really, is what Mr. Staats, the Deputy Director of the Bureau of the Budget, who was the principal witness on behalf of the Government, said, as we questioned him. He said, "It will give this new man, this new Secretary, new prestige to let him function on a level with the other Cabinet officers."

I say to you that this is all it will do.

The point might be made: All right, perhaps it is a good idea to do this. Why not put a new hat of Secretary and Cabinet status on the Federal official in charge of housing?

Again and again it was brought out in the testimony before the Committee on Government Operations, that the present housing agencies were doing a good job. Mayor Daley, of Chicago, was among the witnesses. He was asked, "How are your relations with the FHA? How are your relations, as mayor of the city of Chicago, with the HHFA?" He said, "They are fine. They are doing a good job for us. We have no complaints."

We asked Mr. Keith, the president of the National Housing Conference, the same thing. His reply was the same, that they have fine relations with the present housing agencies of the Government, and they do not need to be changed.

We asked Mr. Boutin, the executive vice president of the National Association of Home Builders, this same question. I will quote this time:

Is it not true that your relations with the FHA, your business building relationships with the FHA, have been good? It has been a good agency, it has done a good job?

Mr. BOUTIN. It has done a good job. I pointed out in the statement, we think this has been one of the really great economic inventions of all time.

This is what was said by one of the men who represents one of the biggest organizations in the country dealing daily with housing in the Federal Government, all the time.

So the testimony went on.

I believe it was rather interesting that

the point was made that these same witnesses who deal with the Federal Government in housing had severe reservations about what the status of housing would be in the new Department and under the new Secretary. For example, the same Mr. Boutin said:

Yes, we favor this new Department as an organization, provided—

And here I quote his statement—

provided primary recognition is given to the role of privately financed housing and proper safeguards are established to insure the continued high level of operations of the Federal Housing Administration and the Federal National Mortgage Association.

In other words, to use his words, they want language which would prevent the FHA from being relegated to a second-, third-, or fourth-rate position.

As a matter of fact, the Mortgage Bankers Association expressed in a strong statement the same reservation.

I received this morning a letter which I had intended to bring over and include in the RECORD. I had intended to read at least a portion of it. It came from the firm of Stockton, Whatley, & Davin, one of the largest mortgage dealers in the State of Florida, which has always had one of the largest home building activities in the United States. To paraphrase what they said, "For heaven's sake, do not put FHA and do not put mortgage financing over into this new bureau." They fear too that it is going to be downgraded. They fear too that it is going to take a second-, third-, or fourth-rate position and get lost in this new agency.

Let us turn for a moment to the urban affairs part of the bill. We have talked about housing. What is this going to do for urban affairs?

I believe that most of the people in this country, and I rather expect that most of our colleagues here in the House of Representatives, really feel this thing is going to do something for urban affairs.

I have pointed out that 70 of the urban programs are in other departments of Government.

We asked the chief witness, Mr. Staats, the Deputy Director of the Bureau of the Budget, what the legislation was going to do so far as urban affairs was concerned. Again and again he came back with the reply, "I am not talking about transferring any authority or any responsibility." He said, "The bill does not seek to modify or repeal existing programs or propose any new ones."

This is testimony from the Government witness. Again and again we asked what it was going to do so far as problems of cities were concerned, as we were talking about them. We never could pin him down that this bill was going to do anything for the cities of the Nation. The reason why we could not, is because it is not going to do anything, because there is no power and authority in the bill, as the Deputy Director pointed out himself, for this Cabinet officer to do anything about urban affairs, except to advise the President and tell him what is going on.

There is language in the bill about coordinating planning with the cities, but nothing is in there that gives this new Cabinet officer any new power. That again was the testimony. Now I go back to the witness who represented the county organization. When asked if he supported the urban affairs ideas in the bill, he said, "We frankly do not want this new Department to go any further than that, that is, to take over the housing programs." He said, "We are opposing and would be strongly opposed to putting all 60"—speaking of other urban programs—"into one department." I asked him, as far as other urban area programs are concerned, if they should be kept exactly where they are and his answer was one word: "Right." Of course, he thinks that is what will be in the bill. So, in short, nothing will be done in this area. Now let us look at it practically.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ERLÉNORN. I yield the gentleman 2 additional minutes.

Mr. GURNEY. If this new Cabinet officer has no power as far as urban affairs are concerned, as a practical matter, what will happen? There is some precatory language in this bill that asks him to advise the President and to coordinate. What will happen if he goes over to HEW, which now administers about 50 programs having to do with urban affairs, and says to Secretary Celebrezze, "As far as your educational programs are concerned"—and as a matter of fact next year in the budget we have about \$7 billion for educational programs—what will happen if the new Secretary says to him, "As far as your educational program X is concerned, I think you should do this about it." Now, as surely as Mr. Celebrezze has "brezze" in his name, believe me, there will be plenty of breezy words coming over the phone to this new Secretary, because he will tell him where to get off.

That is precisely what one of the advocates of this program, the man who represented the counties, pointed out in his testimony. I will use his words because it is a very practical political answer. I asked him what this new Department would do. Would it take over departmental functions of others in the Government? Of course he said it will not do this and he said we are opposed to it. I asked him, "Do you not suppose over the long run, the new Department will reach in and take some of these programs?" His answer was, "Our officers and directors met last week with six Cabinet officers. We came away with the impression that they are pretty strong men and that there will not be a whole lot of transferring of functions away from these departments."

There you have it. That is exactly what is going to happen. The new Secretary is not going to cut any ice with any of these other departments from a practical operating point of view because he does not have any power and he does not have any authority. To come down to it, you have a bill here, and I do not see this bill as a Democratic or a Republican matter at all, or a matter of conflict in political philosophy, whether

one is a liberal or a conservative, that is simply a very poor bill. When you come down to it, you have a bill here that will not do much of anything that it says it will do. It does not do anything for housing that is not being done very well today. It only encompasses about one-third of all the housing programs. It does not do a blessed thing for a Department of Urban Affairs and the whole area of our problems in urban affairs because under this bill the new Secretary has no power and no authority in this field.

I have used up my time. I wish I had time to talk about the Republican substitute. To me, it makes good sense because it will put under the Executive Office of the President a man who can truly coordinate these urban affairs which are so important to our Nation.

I would urge the House to reject H.R. 6927 and adopt the Republican substitute.

Mr. ERLÉNORN. Mr. Chairman, I yield 5 minutes to the gentleman from New York, [Mr. HALPERN].

(Mr. HALPERN asked and was given permission to revise and extend his remarks).

Mr. HALPERN. Mr. Chairman, I beg to differ with some of my colleagues on this side of the aisle who say that this is not a good bill. To the contrary, Mr. Chairman, I believe this is a superb bill that is long overdue, most desirable, and most justified.

Mr. Chairman, the need for a Department of Housing and Urban Development has grown with each year, and I feel very strongly that this need must be met, and must be met now. I heartily welcome the opportunity we now have to act on this long overdue proposal and want to commend the committee for its forthright action in reporting it favorably to the House.

As I have done in the three previous Congresses, in January of this year I again introduced a bill to provide such a Department and urged the committee to give priority to this long discussed important issue. When the present bill, H.R. 6927, was before the Committee on Government Operations, I urged that committee to favorably report the bill so that the House could face the issue squarely. Today, I am overjoyed and privileged to be associated with the legislation before us and to recommend that it be given the overwhelming approval it so clearly deserves.

This legislation is predicated on the congressional finding that the vast technological and sociological changes wrought by the increasing urbanization of 20th century America have created new problems in areas such as housing and urban renewal. There now exist over a score of Federal programs designed to help our local communities meet these problems. The bill before us seeks to establish a single Department of Housing and Urban Development, which will be responsible for the consolidation and coordination of many of these disparate efforts.

The urban areas which string across this country are not islands unto themselves; nor are the many difficulties they

face unique. All too often, however, their efforts to alleviate their problems are undertaken without the benefit of the experience of other areas. Urban renewal programs which have proven to be most successful in meeting the slum clearance problems of a large eastern metropolis may never come to the attention of, for example, southern cities faced with the same problem. This situation would be greatly ameliorated by the creation of such a Department which will serve as a clearinghouse for information of this sort. In addition, however, the Department would also carry out independent studies on other problems which currently plague our cities. These studies would be made available to urban areas to assist them in their planning.

Aside from serving as a clearinghouse and a research center, this Department would also coordinate the implementation of the many Federal programs in force which provide assistance primarily to urban areas. The Federal National Mortgage Administration has one program, the Public Housing Administration has another, and the Housing and Home Finance Agency has a copious variety of programs to meet the growing housing problems which beset our cities. It seems to me that it would make eminently good sense to bring these closely related programs under one roof, and thereby to encourage a meaningful dialog among the experts who administer these programs.

This bill would also create a new and sorely needed Cabinet post—the position of Secretary of Housing and Urban Development. The function of the Secretary would correspond to that of other Cabinet officers: He would serve as the administrative head of one of the major functional divisions of the executive branch of Government, and he would serve as the spokesman for this phase of executive responsibility when broad issues are before the President and Cabinet. Seventy percent of our citizens live in and around urban centers; their needs should be attended to by an officer of Cabinet level.

There are no precise measuring rods for determining when an agency or agencies should become a department. But as the Committee on Government Operations correctly pointed out, the criteria normally employed are permanence, size, scope, interrelatedness, and the national significance of the programs to be administered by the proposed department. By any of these standards, I believe that the Housing and Home Finance Agency clearly warrants departmental status. This agency has been in existence since 1947, and the scope and importance of its work have grown tremendously, and promises to continue to grow to meet an ever-increasing need. I think we should accord to this collection of agencies, a legal status commensurate with its responsibility.

Mr. Chairman, in closing, let me emphasize the fact that I feel very strongly about this need for this legislation. Many of us have introduced similar bills in past years; the need we perceived then has grown. Clearly now, the time is ripe

to translate the facts of American society into proper government purpose, and to do this by establishing a Department of Housing and Urban Development to enable the Federal Government to play a fuller role in America's growth and development.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RYAN].

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Chairman, America's frontier is no longer on the prairie, no longer on the farm, but in our cities. President Johnson made this very clear in his message to Congress on March 2 of this year when he said:

Our urban problems are of a scope and magnitude that demand representation at the highest level of government.

He pointed out "These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of government as well."

Mr. Chairman, in order to bring urban problems to the "front rank of government," the message called for the creation of a new Department of Housing and Urban Development. I have sponsored a bill (H.R. 7108) to create a Department of Housing and Urban Development in this Congress and in past Congresses since I have been here, one to create a Department of Urban Affairs—H.R. 6065, 87th Congress; H.R. 4067, 88th Congress. I believe it is not really necessary to stress the urgency of congressional action to have at the Cabinet level a voice for the cities of America to deal with the manifold problems of urbanization. Congress has had this proposal before it for some 10 years. Hearings have been held in the House and in the Senate. Legislation has been introduced, and the matter has been debated during the course of the last decade. Since I have served in Congress, I have testified three times in both the House and Senate in favor of this idea. Time moves on whether or not Congress acts.

During this period of time a whole new generation of children in slums have reached school age. During this period of time many of our senior citizens have died in the slums.

In the city of New York we have seen the slums expand while the Congress has hesitated to act. We have seen the Federal Government fail to expand public housing programs to meet adequately the need of our cities. We have seen the inability and unwillingness of both the city and Federal governments to launch a massive attack on the conditions which breed crime and the accompanying problem of drug addiction. We have seen the cities of our country become choked with automobile traffic and the Congress hesitate to encourage long-range planning for urban transportation. We have seen, while we have been debating this bill during the last 10 years, our cities move to the point where they face fiscal exhaustion.

Our cities are not coping adequately with the crucial issue of mid-twentieth America—urbanization.

All of these questions are part of the growing urbanization of America. If we are going to deal realistically with these physical and social problems, Mr. Chairman, a Department of Housing and Urban Affairs is necessary.

I listened earlier this afternoon to the gentleman from Michigan [Mr. GRIFFIN]. He tried to dismiss the analogy to a Department of Agriculture by saying that the problem of food is everyone's concern. It seems to me, Mr. Chairman, that equally the problem of shelter is everyone's concern. Basic to our very existence is the question of shelter. This Department of Housing and Urban Development will be concerned primarily with shelter and the environmental factors which affect living conditions in our major cities.

This Department will focus attention on the problems of our cities—the crucial problems of our Nation—and provide coordination for the more than 100 Federal programs relating to our urban areas.

Governor Hoff of Vermont only a few weeks ago remarked to the National Housing Conference that: "Today we are very close to a full-blown emergency and the average person has no idea this is going on."

Present growth trends indicate that there will be some 350 million people in the United States by the year 2000. The interim increase will concentrate in urban areas if present trends are projected. The larger metropolitan areas in the United States will contain 70 percent of an anticipated population of 244 million by 1980 and 80 percent by the year 2000.

In the New York Metropolitan area, it is anticipated that there will be an increase from 16 million in 1960 to almost 21 million in 1975. By 1985, it is anticipated that 3 million more will be added to our metropolitan area population. Proper shelter and other environmental conditions are essential for these 24 million citizens.

The Department of Housing and Urban Development will consider the "outer ring" of our cities along with the "core" or "inner ring." In this way, problems of city and suburb may be viewed as problems of the entire region.

In New York's central city, for example, twice as many 16- and 17-year-olds are not in school, and twice as many people make less than \$4,000 a year, than is the case in our suburbs. It is also notable that 89 percent of the nonwhite population of the area lives in the central city.

We may view the urbanization of America as a physical problem involving an increase in both the size and number of cities in America. It is a metropolitan problem and a regional problem. It is a problem of cities and suburbs, of towns and counties, and of urban cores.

But, as President Johnson so aptly remarked in his message on cities, "Numbers alone do not make this an urban nation."

John Friedman, of the Massachusetts Institute of Technology, an authority on regional development, wrote in the 1964 National Education Association Journal:

Urbanization describes, first, a geographic fact: concentration of large numbers of

people within a relatively small space. Second, it describes a social fact: the adoption of urban ways of living.

Urban ways of living will be the subject of utmost concern in the new Department. We must try, through this new Department, to focus on the quality of the lives of the individuals residing in our urban areas.

This will enable the Federal Government to exercise the same degree of attention to the problem of urbanization that it has toward rural problems of agriculture.

In the past one of the major problems facing the nation was the improvement of farming and farm life. Today we are faced with the even more gigantic task of adjusting our population to modern industrial production and urbanization. We can do no less today than we did in 1862 when the Department of Agriculture was created to put the Federal Government behind that effort.

Today we need to place our national attention squarely on the problems of our cities: On housing, education, employment, poverty, beauty recreation, and the whole question of discrimination. These, President Johnson said, "are, in large measure, the problems of American society itself."

Mr. Chairman, we do not pretend that this Department will be able to answer all of the questions or solve all of the problems associated with urbanization. But it can offer a coordinated start. It can offer an administrative base for "the enormous growth of interest and knowledge and intellectual ferment," to which the President referred.

In addition to concentrating attention on both the spectacular physical growth of our cities and the multitude of problems associated with the process of urbanization, the Department of Housing and Urban Development is designed to bring continuity of purpose to the many Federal activities that are now operative in our urban areas.

In section 2 of the proposed bill, Congress declares that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

Moreover, section 2 declares among other things that to carry out their purpose, Congress would find that establishment of an executive department is desirable to:

First. Achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; and

Second. Assist the President in achieving maximum coordination of Federal activities which have a major effect upon urban, suburban, or metropolitan development.

The need for such coordination is evidenced by a recent MIT study on the effectiveness of metropolitan planning, which concluded on this point as follows:

Better interagency coordination is also needed at the Federal level, to bring Federal programs, affecting urban development, in

line with one another . . . It will be incumbent upon the Federal administrators to give careful and sympathetic attention to metropolitan plans and review recommendations. If these are subject to inconsistent interpretations by Federal officials, or if they are used primarily to insulate Federal agencies from local conflicts and promote increased program expenditures, the Federal Government will derive little long-range benefit from metropolitan planning.

Mr. Chairman, if we are going to deal with the problems which have been identified and which have been created through the rapid industrialization and urbanization of our country, then it is important that we have in the Cabinet at the front rank of our National Government, a spokesman for our cities, a spokesman who will be at the same level as other spokesmen who sit in that Cabinet. And by turning the national spotlight on the cities of America, on the cities which, after all, do house 135 million Americans, we will be able to move forward to deal with all of the manifold problems about which I spoke earlier.

Mr. Chairman, the President, in his message on the cities, asked us to act. He said:

The modern city can be the most ruthless enemy of the good life, or it can be its servant. The choice is up to this generation of Americans. For this is truly the time of decision for the American city.

The adoption of the bill before us will be a major step in the direction of remaking our cities to be the servant of the good life.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. McVICKER].

(Mr. McVICKER asked and was given permission to revise and extend his remarks.)

Mr. McVICKER. Mr. Chairman, I rise in opposition to H.R. 6927 establishing a Department of Housing and Urban Development.

In registering my opposition to this proposed new Department I am certainly not unmindful of the problems and the future of the core cities and their suburbs that exist in every State in our Union. I must certainly agree that our national welfare is dependent upon the orderly growth and development of our urban areas. I recognize that well over two-thirds of our entire population today lives in our 220 metropolitan areas and that this trend will be magnified in the coming decades.

President Johnson has spoken directly to this point in his speech at Ann Arbor Mich., in the spring preceding the last election when he painted the picture of a mountain of work still left undone in solving the problems of modern living. In the face of our recordbreaking economic achievements the President added the perspective when he said:

The challenge of the next half century is whether we have the wisdom to use our wealth to enrich the quality of American civilization.

"Ugly America" was the term the President used to describe the likely future unless something is done. And ugly America is becoming, more and more, the place where most of us live—

in the urban areas where open space is being devoured by chaotic development, where rivers are polluted by industry and sewage, the air is dangerously poisoned by the teeming automobile, and the vistas are blanked out by billboards, used-car lots, and junk business. "In the next 40 years," the President said, "we must rebuild the entire urban United States."

In the face of our magnificent abundance and the wherewithal and resources to move on to a more tolerable world, a failure to move on and create a decent environment must certainly be read as a failure of capitalist society.

This must not be allowed to happen.

The shortcomings and failures are all too conspicuous. They are to be found in badly administered Federal urban renewal programs, in the inertia of cities where local governments have failed to revise old laws and tax structures that actually encourage and sustain slums and ugliness. Proposed Federal solutions—such as appropriations of more money—are sometimes oversimplified, while jealous and jumbled municipal sovereignties inhibit sound urban growth by their sheer complexity. A critical question in all this is how to reconcile the creative strengths of American free enterprise with the need for the kind of widespread and farsighted regional planning that possibly only Government can supply. Is such a reconciliation impossible? If it is, then the battle is lost.

The important thing in order to make sure the battle is not lost is to broaden and intensify the sense of general involvement. The general involvement at all levels by business, labor, and citizens groups, can be seen encouragingly in some places—in Philadelphia, for example, in Pittsburgh, in Boston, and, I am sure, in other cities in this country of ours.

Gladstone once said:

Good ends can rarely be attained in politics without passion.

What we need is a righteous passion, an anger, an overwhelming concern about what is taking place in our urban areas—in our suburban growth.

A righteous concern about the environment we live in must seize a great number of Americans.

The basic question presented by this bill, as I view it, is whether or not our local urban areas are so structured and local leadership is effective enough to make itself felt as an equal partner with the States and the Federal Government in determining solutions to the urban sprawl. That now besets us.

Historically, our country has been a three-layered structure of government: Federal, State, and local.

Since World War II, it is apparent that the Federal Government is more than able to view the national interest and respond to the needs of our people at all levels—internationally, nationally, and locally. In this same period of time, State governments have more and more come into their own as a viable part of our historical tripartite, equal system of governing ourselves.

But the real question is what has happened to local government during the last decade and a half. Has it kept up

with the 20th century? In my view, though admittedly with certain glaring and happy exceptions, the answer must be a resounding "No."

Believing as I do that local government is the mainstay of our system of personal involvement and self assertion in governing our own affairs, this unhappy answer dramatizes the main problem in determining how best we may govern ourselves. Let us make no mistake. In attempting to fulfill its historical and proper duties, local government must provide those services which can best be administered and controlled locally, in an efficient manner and at an economical cost.

If local government is incapable of so providing these services efficiently and at fair cost then the people will demand that someone else do the job. More often than not they will look to the Federal Government for this purpose. It will be a sorry day for us if and when the Federal Government takes over a major part of what has been historically local responsibility.

But this trend continues unabated. Not, I suggest, because there are ogres or designing people here in the Congress or in the Executive branch of our Government who are plotting this course; but simply because most of us who have taken part in local government in the past and those doing it today are not doing the job properly. We are not structuring its operation nor are we providing a viable tax base, so that our local urban government can do its job economically and efficiently.

Even though the fault as I see it lies principally at the level of local government, in fact the Federal Government does take over more and more responsibilities that belong to local government. The effect of this, if unabated, will surely mean a different America and one that I prefer not to see.

I believe in local government.

I believe that with the right prodding and leadership it can find for itself a place in the sun. But I do not believe that presents the facts today. What do we see today? Let me cite my own area because I am familiar with the situation there. In the Denver suburban area we have over 250 autonomous local units of government, each with the right to tax—mostly using the property tax—and to spend.

We have local politicians, of which I am one, who too often do not see beyond their own boundaries, or their own sources of power, or their own personal jealousies and interests. The effort, consequently, to restructure local government to provide a workable system or organization of metropolitanwide government to administer and make policy for services that are metropolitan in scope: to find an equitable tax base, again that is metropolitan in scope and does not discriminate against one class or group of people. This effort simply has not produced results to match the needs.

I have been in this fight in my own area. I know how difficult it is; and in the context of the large unmet requirements, I am not very proud of my own

small accomplishment in helping to restructure local government into a workable metropolitan unit.

Yet, surely, all is not lost, for, if I did believe so, then I would have to admit that the game is over and we might as well have everything administered from Washington.

We have not come to this point yet. In the short time that I have been in the Nation's Capital as a Member of Congress, my experience leads me to believe that a new Department of Urban Affairs would quickly find new duties and tasks in filling the vacuum that now exists at the local government level.

This could be accomplished only at the expense of well-meaning but inefficient and expensive units of local government. Until local government itself is strong enough and viable enough to fulfill its proper role, the classic relationship between local, State, and Federal government will go begging.

I do believe that sometimes we almost have to face chaos in order to spur governmental entities to reorganize and do their job effectively and efficiently.

With all the feeling at my command, I prefer to keep the pressure on our urban groups of government—on the 250-plus units of autonomous government in the Denver metropolitan area, for example—to give them fair warning. Restructure yourselves: Give the people of your metropolitan area the right tools to work out their local problems on an efficient and economical basis, and do it soon for the problems increase with a rapid, also a geometrical, magnitude. If you fail the people themselves will demand a solution at another level of government and more likely than not that will be the Federal Government.

This warning must be clear and urgent. Local government must regain its place, by its own efforts, as a viable unit in our tripartite system of government.

I desire to give every possible basis and pressure to realize this goal. It is not the easy path. But, I believe it is the right path.

Mr. ERLNBORN. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. EDWARDS].

(Mr. EDWARDS of Alabama asked and was given permission to revise and extend his remarks.)

Mr. EDWARDS of Alabama. Mr. Chairman, I rise in support of the objectives of better management of Federal Government housing and urban affairs activities, but in opposition to the bill under discussion. I do not see any evidence that establishment of a new Cabinet-level Department of Housing and Urban Development will significantly contribute to worthwhile objectives.

All of us here today, and the country in general, will certainly support action which will provide the means of giving direction, efficiency, coordination, and consistent administration to the jungle of Federal programs intended to provide assistance in solving problems arising simultaneously with concentrations of population in metropolitan areas.

What we have today is a real proliferation of Federal programs in this area. The problem is serious. In 1960 an authoritative study called "The Federal

Government and Metropolitan Affairs," found:

There is reason to believe that Federal programs are piling up on each other faster than metropolitan areas can digest them.

The study goes on to conclude that each program is planned separately with little concern for what other programs are underway.

That study in 1960, Mr. Chairman, was undertaken before the vastly increased buildup of Federal involvement with local and State affairs beginning in 1961. Some experts estimate that today there are more than 60 Federal programs affecting urban development, all going at one time with little or no effort being made to coordinate them so as to maximize efficiency and effectiveness.

The committee bill, H.R. 6927, would fail to deal with the central problem, and, in fact, might work to compound that problem. The bill would elevate the existing Housing and Home Finance Agency to Cabinet-level status and change its name to Department of Housing and Urban Development. The bill would add to this new department the Federal National Mortgage Association. That is all it would do.

No other programs would be assigned to the new department. The new Cabinet Secretary would have no authority to coordinate urban area programs which the present administrator of the HHFA does not already have. The new department would have authority over less than 20 percent of existing urban programs.

Mr. Chairman, in his address of March 2, 1965 on this matter, the President first made eloquent reference to problems of metropolitan areas—housing shortages, air pollution, school needs, and water supply. But he made no reference whatever to what many feel is the greatest need of all—the coordination of existing programs.

In advocating the establishment of the Department of Housing and Urban Development the President said:

It will be primarily responsible for Federal participation in metropolitan area thinking and planning.

This sounds like at least an effort toward coordination.

But in the same speech he advocates also the establishment of something he would call the Temporary National Commission on Codes, Zoning, Taxation, and Development Standards. I have not been able to determine if this new group, TNCCZTDS, would operate under authority of HUD, or HEW, or would be independent, or for what period of time its temporary nature would be intended.

I cannot conclude that the committee bill would do anything but add to the vast lack of coordination. It would mean new alphabetical gymnastics and would complicate the task of community agencies in making their way through the Federal jungle of bureaucracy.

One of the arguments advanced in support of the White House plan is that city dwellers need an added voice in Washington. It is evidently felt that elevating the HHFA Administrator to Cabinet status would give needed pres-

tige to the millions of persons living in metropolitan areas.

This, of course, is a specious argument. In talking about problems of the cities we are really talking about things like health, education, and welfare. So it would perhaps make more sense if the HHFA were to be transferred to the Department of Health, Education, and Welfare where programs in these fields are already underway, and where coordination might better be achieved.

And if I may undertake some levity for a moment, it would make just as much sense for us to establish a Department of Female Affairs with the justification that women need a Cabinet level voice in Government. And then, of course, we would need a Department of Male Affairs as a balance.

Perhaps the most serious of all problems with the proposal before us today is that it would further erode the integrity of State and local government. It would tend to lessen initiative for civic improvement programs by giving the impression that massive Federal Government assistance is on the way. If and when great new Federal aid programs would actually be channeled through the new department, local government would be subservient to Federal controls of various kinds. To a great extent the Federal Government would replace the city council. Federal money would inevitably be used for political purposes, and the voice of the citizen, so vital to matters of local government, would be stifled, with very little opportunity for repairing the damage. State lines would only be a formality.

I want to commend the work of the gentlewoman from New Jersey [Mrs. DWYER] on this issue. She has very adequately stated previously the inherent weaknesses and fallacies of the committee proposal. She and other Republicans have wisely advanced an alternative proposal which, I believe, will make sense to any concerned American citizen who takes the time to inform himself about it.

I support this plan, which would establish in the Executive Office of the President an Office of Urban Affairs and Community Development.

This is an honest proposal, Mr. Chairman. It is not intended to bestow prestige or status or vague hopes or political patronage on anyone. It is a proposal designed to accomplish the one thing we need in this area—coordination of Federal Government activities.

This is not a new concept. Rather, as the gentlewoman from New Jersey [Mrs. DWYER] has pointed out, it is a tested and effective method of obtaining results. Three years ago, when it was decided that we needed better coordination of Government programs in science, we created an executive office called the Office of Science and Technology. It has worked well as a coordinator.

The goal of coordination through a central office, of Government programs in housing and urban affairs, was vigorously supported by the Advisory Commission on Intergovernmental Relations.

The issue is clear. We can elevate an existing agency to Cabinet status and try

to make that action appear to be a solution to problems which have been identified here this afternoon. Or, we can get to the heart of the matter, and produce what we really need, coordination of Federal Government housing and urban programs.

Mr. ERLÉNBOEN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. RUMSFELD].

(Mr. RUMSFELD asked and was given permission to revise and extend his remarks.)

Mr. RUMSFELD. Mr. Chairman, I rise today in support of the substitute, H.R. 8822, and in opposition to the bill, H.R. 6927, which would create a Cabinet-rank Department of Housing and Urban Affairs.

Mr. Chairman, I must say in passing that the report which the members of the committee have before them on this bill is, in my opinion, disappointing.

If the members of the committee will look on page 3, they will see that the report is not much more than a collection of comments and quotes, beginning with some quotations by Mr. Staats, a Deputy Director of the Bureau of the Budget. He is quoted for 3, 4, or 5 pages. Then there are quotations by Mayor Daley of Chicago which go from pages 7, 8, and through 9, and it continues with quotations from others up to a discussion of the differences between this bill and previous bills which have been defeated, at which point there begins a brief chronology of the previous defeats of this type of legislation. At no point, I submit, does the committee make a valid case for H.R. 6927.

Further, Mr. Chairman, it seems to me if this legislation had been as important as the proponents indicate today, someone who is a Cabinet-ranking official of the Government could have testified.

I would like to ask the gentleman from Florida [Mr. FASCELL] if any Cabinet member testified in favor of this legislation this year?

Mr. FASCELL. This year?

Mr. RUMSFELD. The answer apparently is "No," that not one single member of the President's Cabinet appeared to testify in support of the bill.

Yet, Mr. Chairman, this bill, according to the proponents would create a Cabinet-rank Department of Housing and Urban Affairs which would then coordinate the other Cabinet-rank departments in the executive branch of the Federal Government insofar as urban problems are involved. Yet none of the Cabinet members came to the committee to request that this new Department be created to then coordinate Federal activities in the area of urban affairs, or to express their enthusiasm for this proposed new Department.

Mr. Chairman, I looked through the hearings and I could not find where one Cabinet-rank member of the executive branch of the Federal Government took the time to even submit a written statement, let alone testify on this piece of legislation.

I would also like to comment on some of the remarks appearing in the report. I want to quote Mayor Daley, of Chicago.

He is, of course, the mayor of a great city who is well known for his eagerness to come to Washington and the Federal Government to receive assistance in solving urban problems. He says, according to the report:

I believe that whatever resistance there is to this legislation stems from the use of the words "urban" and "housing," and their identification with big cities. There are some who still fail to recognize the obvious—that we live in an urban society and that the problems of urbanization directly affect the lives of most of our citizens and indirectly influence the lives of all of our citizens.

This is not correct, of course. The opposition here today to this legislation is not because of a failure to recognize the needs of our urban areas as the debate so clearly shows. On the contrary, it represents a sincere concern about our urban areas and about the multiplicity of Federal programs which exist today and the failure of adequate coordination. This bill does not provide a mechanism for coordinating the 60-70 existing Federal programs relating to urban affairs, contrary to what he or others may believe.

Furthermore, if you look at the testimony of Mr. Staats you see the words "status" and "recognition" as the basis for his support. These are the only valid arguments that have been made. In the report, in the hearings, as well as during the debate today, this is the only single valid argument in favor of the bill, that has been put forward; namely, that theoretically it would provide some sort of recognition to the very important urban areas of our country. I for one am considerably more concerned about solving urban problems than merely giving status to urban areas, particularly when by giving this status you defeat possibility of reasonable solution to the coordination problem.

There are many problems with the administration bill. If you refer to the report—page 46, I believe it is—we have listed the Federal programs which would fall within the jurisdiction of this new Cabinet-rank Department under the bill we are considering today. They are listed, as you will note, on but a few lines. If you will look at pages 47, 48, and 49 of the report you will see all of the various existing Federal programs that will not fall in this particular Department of Urban Affairs and Housing. It takes close to three pages to list the programs which are excluded.

The gentleman from Florida [Mr. GURNEY] brought out very vividly the problem of competition between the executive departments in the executive branch of the Government. This is a very real thing. We know it exists because we have seen conflicts in recent years between the various departments of the executive branch.

Further, what about highways and streets? Highways are one of the greatest users of the dollars allocated for urban problems. Look at any chart of the allocation of funds for urban problems by the various levels of government—Federal, State, local—and you will see that highway funds rank near

the top. You will see this is one of the major areas competing for the use of money, along with housing, urban development, parks, recreational facilities, and other programs. Visit with professional planners across the country and you will find they are aware of this, and they are deeply concerned about it because they are the people on the firing line day in and day out attempting to help solve the problems of urban areas. To create an intelligent balance in the allocation of space—so precious within urban areas—the most important individuals who have to be dealt with are those in charge of the funds for highways and streets. Yet highways will be under the Department of Commerce, and not subject to the new Secretary. This would not be the case with an Office of Urban Affairs in the Executive Office of the President. Is the new Secretary of Housing and Urban Affairs going to call up the Secretary of Commerce and give him instructions as to how he should conduct his Department? I think not.

Mr. Chairman, H.R. 6927 is unfortunately not the most reasonable solution to this problem. In fact, it is a most misunderstood proposal.

Today I received a letter from the AFL-CIO which stated:

The establishment of the Department of Housing and Urban Development would provide for economy, for more efficient administration and good government. It would facilitate representation of local community interests and would make possible fuller acceptance of local initiative through representations by local authorities before one coordinated agency of the Federal Government.

This is not the case. This is just not what is going to happen. It is not what the bill they are supporting even proposes to do. There will be no one agency coordinating urban problems. If this legislation cannot stand on its own feet, then it should not pass. I ask why the AFL-CIO, the report, the debate and the hearings continue to attempt to sell this legislation to the American people and the Members of this Committee on some basis other than the words contained in the bill.

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting.) Fifty-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]		
Adams	Foley	Mink
Ashley	Frelinghuysen	Morton
Ayres	Hagan, Ga.	Parmesan
Bonner	Hanna	Pike
Bow	Harvey, Ind.	Plante
Bray	Hébert	Powell
Brown, Ohio	Hicks	Reinle
Chamberlain	Ichord	Rivers, Alaska
Clark	Kelth	Stallford
Corman	Macdonald	Steed
Dingell	Martin, Ala.	Toll
Ewing, Tenn.	Martin, Mass.	Vivian
Findley	Martin, Nebr.	Wilson
Fisher	Meeds	Charles H.

Accordingly, the Committee rose; and the Speaker having resumed the chair,

Mr. Boggs, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6927, and finding itself without a quorum, it directed the roll to be called, when 393 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. RUMSFELD. Mr. Chairman, I urge the Members of the Committee to study the views given on page 45 of the committee report. I am convinced that the proposal outlined in our additional views to establish a true coordinating Office of Urban Affairs and Community Development in the Executive Office of the President is a reasonable one. Contrary to what has been suggested earlier, our proposal, H.R. 8822, would not transfer the Housing and Home Finance Agency anywhere. It would leave it exactly where it is, and so, too, with FHA and the other agencies within the HHFA. It would provide a coordinating office under the President to bring order out of the confusion which exists in the Federal bureaucratic structure, and not just within the HHFA but throughout all Cabinet-rank departments which have jurisdiction over the 60 to 70 existing Federal programs involving urban affairs. It will clearly provide one-stop Federal service for State and local officials and result in a more balanced and reasoned handling of existing Federal participation in metropolitan development.

Before passing this bill, I think we ought to ask these questions:

How effectively are the present Federal programs meeting the problems? What are the criticisms of FHA and HHFA? I have not heard any criticism of either the FHA or the HHFA. This forces one to ask, Why then must these on going programs be submerged in a new Cabinet department?

Furthermore, what actually are the problems confronting the cities? Should not any coordinating office be equally concerned with highways, air pollution, water pollution, recreation areas, public facilities, airports, to mention but a few of dozens of Federal programs? Are they of less importance, or better, are they not important with respect to the problem of coordination?

Will urban problems be more susceptible of solution through department status for the Housing and Home Finance Agency? Is it status or coordination that is needed?

In my opinion, the committee report, the hearings and the debate today have not made a case for the passage of this bill. But what do the experts in this country say about this? Do they agree or disagree?

I have before me the report on "The Federal System as Seen by State and Local Officials," prepared by the other body's Subcommittee on Intergovernmental Relations of the Government Management Operations Committee during the 88th Congress.

The subcommittee sent out a questionnaire to 6,000 State and local officials,

50 Governors, attorneys general, budget officers, and State legislators, 800 school boards, 1,900 county officials, 1,600 city managers, and 900 mayors, and 400 professors, and other experts on intergovernmental relations.

They sent the questionnaires to the people of this country who are living with these problems. The responses coming back showed 183 favored a Department of Urban Affairs, whereas 189 specifically opposed the creation of such a department. When asked whether or not they favored an Office of Urban Affairs in the Executive Office of the President for the purpose of improved coordination of Federal-urban programs, instead of a Department of Urban Affairs, they responded with 164 favoring such an office, and 130 opposed.

These are not lopsided figures. Obviously these individuals across the country who have the principal responsibility for dealing with urban problems are in some disagreement as to what is the best approach. The point is this is not a partisan matter, this is not a philosophical question. Rather the question is how can we best solve the problem? It is obvious from the report I have cited that a majority of these experts in this area are in opposition to the administration bill and favor our approach.

Why should the Congress pass a bill when a case has not been made, when a representative poll of experts across the country disagrees with this approach, when there is a more efficient, less costly, and tested approach; namely, an Office for Urban Affairs in the Executive Office of the President to coordinate these programs?

Mr. Chairman, no one is suggesting that the administration bill does not go far enough, or that all 70 Federal programs relating to urban affairs should be stripped from their departments and put in one new giant department. Proponents of this bill know this, contrary to their comments made here this afternoon. Our criticism rather is that their bill does not solve the problem of coordination, while our proposal would meet this problem.

Mr. Chairman, our urban areas have problems. There is no question on this. We have a great and growing Nation and it is proper the the Congress and this committee from time to time consider ways to better meet the needs of our Nation. But I submit that this bill H.R. 6927, is most assuredly not the answer and I urge the adoption of the substitute to be offered by the gentlewoman from New Jersey which I believe is a proper, responsible, and constructive approach to this problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. REDLIN].

Mr. REDLIN. Mr. Chairman, I thank the gentleman from Florida, Congressman FASCELL, for yielding me a few minutes. I have observed the work of Congressman FASCELL and several other of my colleagues from urban areas since I became a Member, and through them I have developed a greater sensitivity to urban problems.

As a lifelong grain and livestock farmer, I was only academically familiar with the urgent problems of city people until I took my seat in the House of Representatives last January.

In the past 6 months, from actually living in the city, I have come to realize the necessity for action on traffic snarls, housing, water and air pollution, and a host of other problems.

In 1862, the Department of Agriculture was created, in recognition of the vital relationship of agriculture to the national well-being. In 1889, the Department was elevated to Cabinet rank.

Today—with more and more Americans living in cities—it seems to me only fair and right that we should have a comparable department of Cabinet rank, in recognition of the increasing economic and social impact of urbanization.

Mr. Chairman, while I represent the most rural district in the Nation, I feel that as a U.S. Congressman, it is my responsibility to take a broad view of legislation affecting the entire Nation. I am pleased to support H.R. 6927, to create a Department of Housing and Urban Development and am particularly happy to see emphasis as well on small towns and cities and their needs.

Mr. ERLNBORN. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, today we are taking up a bill which would set up a new Cabinet Department for Housing and Urban Development. I think it is very significant that this proposed legislation comes before the omnibus housing bill of 1965.

Within a few short days the House will be asked to vote on a multibillion-dollar housing bill. This bill would give the Housing and Home Finance Administrator tremendous life and death powers over very basic individual rights, responsibilities, and duties. It will permit the Administrator to set up a formula by which, at his whim, he can grant rent subsidies to millions of American families. He can give or deny these subsidies to families whose income limits are not even clearly set in the law.

The Administrator would also be given political power over the major cities in the granting of untold subsidies, grants, loans, and public works programs.

It is no wonder that the administration seeks to create a new department before it brings to the floor of this House its housing legislation. I say that if the housing bill is passed there is absolutely no necessity to create a new department with Cabinet rank, because the Administrator will have untold power. Such power, if supplemented by Cabinet rank for the head of the Housing Agency, would make the proposed new department the most politically powerful in the history of our Government.

I feel about this departmental bill as Ben Jonson felt when he said: "God gave women so much power that the law does not dare give them any more."

This bill to create a Department of Housing and Urban Development supposedly is to upgrade the importance of

housing as well as to help our huge urban areas to solve some of their many problems. Yet, at the same time, it is highly ironical that the designers of this legislation, through some strange, bureaucratic reasoning, seek to downgrade the most single influential Government program in the housing field. I refer, of course, to the Federal Housing Administration.

The FHA currently accounts for approximately 64 percent of the employees and budget of the Housing and Home Finance Agency. The FHA Commissioner at present is paid at the Assistant Secretary level. For 31 years, the FHA Commissioner has been appointed by the President. For 31 years, the Congress has sought to give FHA the necessary prestige to help better house our citizens. For many, many years, FHA has been a household term. The FHA is the finest example of Government and private industry working together in this vital field of housing.

Now, what would this bill do to FHA? It would lower the relative position of the Commissioner and the agency by reducing the salary level of the Commissioner. It would put the FHA under an Assistant Secretary who would have many other duties and responsibilities other than just FHA. Only last year, the President of the United States asked Congress to enact an executive pay schedule which sought to substantially upgrade the salary of top Government officials. Now, in this departmental bill, they want to take the head of a constituent agency of the HHFA and substantially lower his salary. The same agency which, at the present time under existing law, handles approximately two-thirds of the entire personnel in the agency. Certainly, no one can expect to get top executive talent to head up this important agency if Congress, by its action today, would reduce the relative importance of this agency by downgrading it within the executive salary level of existing law.

I am at a loss to understand what is so bad about at least continuing to have the head of this agency appointed by the President with a rank of assistant secretary. Yet, this bill would give the power to appoint the FHA Commissioner to the Secretary of the Department. Apparently, not even the President of the United States is protected from this power grab and concentration of supreme authority in the Secretary of this new Department.

As I look around at our Government organizational charts, it occurs to me that the Treasury Department and the Internal Revenue Service are probably two of the best run departments in government. Certainly, I know of no one that could accuse the Internal Revenue Service of being hamstrung or inefficient. I think herein we have a good analogy of how the FHA should be set up if a Department of Housing is going to be established.

If the FHA Commissioner were appointed by the President and the FHA administration was placed within the Department of Housing and Urban Development en toto similar to the way the

Internal Revenue Commissioner and Service is set up within the Treasury Department, this would in no way hamper the Secretary of the Housing Department in the performance of his duties. The FHA Commissioner would be assigned all duties and responsibilities by the Secretary. The Secretary could organize, reorganize, or make any other changes that he saw fit in the way of improving the administration of this agency. This type of organization within the new Department would enhance the FHA and enable it to continue to do an even better job of aiding homeownership.

I submit that the creation of a new Department with Cabinet rank and the new housing bill is a political power grab which should shock the conscience of the Members of this body.

Mr. ERLNBORN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MacGREGOR].

(Mr. MacGREGOR asked and was given permission to revise and extend his remarks.)

Mr. SHRIVER. Mr. Chairman, will the gentleman yield?

Mr. MacGREGOR. I yield to the gentleman.

Mr. SHRIVER. Mr. Chairman, once again the Congress is being called upon to expand the bureaucracy of the Federal Government. It was little more than 3 years ago that the House of Representatives rejected by a vote of 264 to 150 a similar plan to create a Cabinet-level Department of Urban Affairs and Housing.

Today, under a new name but with a similar purpose, we are asked to approve the establishment of a Department of Housing and Urban Development.

In my study of the bill, I find that it really will not include all housing programs nor will it encompass all those programs dealing with our urban areas. It will, however, create a new Cabinet member, a new Under Secretary, four Assistant Secretaries, a General Counsel and an Administrative Assistant Secretary plus more red tape for the municipal governments in cities across the country.

Although the present programs of the Housing and Home Finance Agency will be included in the proposed Department of Housing, these represent less than one-third of the Federal Government's housing activities.

The Veterans' Administration Loan Guaranty Service had guaranteed over 5.5 million home loans for a total of over \$49.2 billion as of December 31, 1960. The Federal Home Loan Bank Board as of January 1, 1964, had advanced members \$27.1 billion and had been repaid \$22.3 billion. These two Federal agencies, not included under this proposed legislation, account for more than two-thirds of the housing financing activities conducted under auspices of the Federal Government.

A multitude of Federal functions would remain where they are now even if the administration proposal is enacted into law. For example, welfare and poverty programs, water pollution, sewage disposal, vocational education funds, elementary and secondary schools assist-

ance, public health activities, the Federal highway program affecting access to municipalities and expressways, the food stamp program, airport planning and development—all would remain under their present jurisdictions in other departments and agencies.

It is clear to see that local and State officials who more and more are required to look to Washington for funds would still be dealing with many bureaus despite the new Cabinet-level department.

Local and State governments today are seeking coordination and assistance in their relationships with the Federal government. They do not want Federal domination.

I have joined in introducing legislation which would establish an Office of Community Development within the executive Office of the President. This alternative to the administration proposal would provide the needed coordination to the multitude of Federal programs in a single executive office. It would not increase Federal control nor would it lead to any significant increase in the growing bureaucracy.

Mr. Chairman, prior to coming to Congress nearly 5 years ago, I had the privilege of serving as chairman of the Committee on Municipalities in the Kansas Legislature for 12 years. I believe I am well aware of the complex problems faced by metropolitan areas. During my service in the U.S. House of Representatives, I have worked closely with local and State officials on many problems of Federal concern.

The real need, as I see it, is to make the know-how of the Federal government available to State and local governments without creating a new bureaucracy. There is need for better communication concerning the multitude of Federal programs and the results of Federal research.

The proposal which I have offered with many of my colleagues on this side of the aisle represents an economical and practical approach toward developing a coordinated national policy which will benefit urban and metropolitan areas across the United States.

Mr. MacGREGOR. Mr. Chairman, the debate this afternoon has made abundantly clear that there is a growing number of Members of the Congress who recognize the challenges of our fast expanding metropolitan areas. We have heard that approximately 125 million Americans and nearly 80 percent of our American productive capacity is now located within 212 metropolitan areas. We already know within 25 years these urban areas will increase by another 100 million people. With this phenomenal growth the problems of urban life—education, employment, housing, transportation, crime, air and water pollution, and discrimination, the need for open spaces, planning, and all the rest have become increasingly complex.

But despite all this, there is not a single American mayor or county official who would say that the State and localities do not have the primary responsibility for meeting these problems. The American system has made that respon-

sibility theirs. Indeed, who can deal better better with local problems than those who know them best? All levels of Government need to help provide community officials with the muscle that it takes to get the job done. And it is not merely bigness, or just money, or the juggling of Federal bureaus that are going to do it. All of us in this House know that. And not one of us, regardless of where he sits in this Chamber, would destroy or substantially alter our federal system of government. Each of us, Republican and Democrat alike, believes that this country has benefited tremendously by our division of governmental responsibilities—National, State and local. Our aim is to revitalize that very system.

However, Mr. Chairman, this is not the aim of some of those who are the loudest proponents of the administration proposal. One of those proponents disclosed his true intent in supporting the administration bill when he testified at page 122 of the hearings as follows:

I respectfully submit that we need to centralize responsibility and authority—and to enhance the power of the Federal Government, which must in turn establish and enforce national standards of excellence in planning and building our modern cities.

That witness was Mr. Frank D. O'Connor, a district attorney within the city of New York.

I say, Mr. Chairman, I am sure that this is not the aim of the author of this proposal or of the proponents from whom we have heard this afternoon, but it is the objective of many of those who will be around to see us next year and the year after with their expansion plans if the administration proposal is adopted.

Mr. Chairman, I represent a metropolitan area. My congressional district has added more than 100,000 people since 1960 and it will have increased by more than 100,000 additional persons by the time of the 1970 census. For 2 years I represented almost half the people who reside in the city of Minneapolis. My background is the city.

I believe sincerely, Mr. Chairman, that America needs the Office of Urban Affairs and Community Development in the Executive Office of the President. Nearly 30 Republican Members of the House have introduced legislation to accomplish that purpose. For even if we were to get a Cabinet-level Department of Urban Development tomorrow, the need for an effective office in the White House to coordinate the proliferating activities of the Federal Government, as they affect urban and suburban areas, would be no less necessary.

Here is why. By ignoring some 70 other Federal programs concerned with metropolitan problems and by simply elevating the Housing and Home Finance Agency to Cabinet rank, a Department of Housing and Urban Development cannot hope to achieve coordination, efficiency, or economy. Urban problems cut across departmental lines, and as urban life grows increasingly complex, more and more of the problems can be expected to cut across these lines. Badly-needed coordination can be achieved without any increase in Federal control, and without any significant in-

crease in the burgeoning Federal bureaucracy through the adoption of the proposal to be offered tomorrow by the gentlewoman from New Jersey [Mrs. DWYER].

The proposed Department of Housing and Urban Development would simply elevate the position of the Housing and Home Finance Agency. To understand why a mere change in the status of HHFA will not do what is needed, let us look at the relationships of some Federal programs today. Take the Federal Bureau of Roads, under the Commerce Department, and the HHFA, for example. Under the proposed Department, activities of the Bureau of Public Roads would not be included. Highway planners, as we all know, find their concern is often exclusively with traffic needs. On the other hand, local housing agencies have as their objective the avoidance of new slums and the replacement of existing ones. Clash for space, as each seeks to accomplish its own task, is often inevitable. The Federal Government through two separate agencies—the Bureau of Public Roads and the HHFA—provides funds for each, in cooperation with the States and localities.

But these objectives can and do clash. And, in some urban places in America, that clash can and does raise havoc with the dream of beautifying our country. Rather than elevating HHFA to Cabinet level, what we need is a referee. A White House office, such as we propose, would be an appropriate umpire. We have seen this particular approach work very well in connection with the Office of Emergency Planning and the Office of Science and Technology in the Executive Office of the President.

The proposed Johnson administration bill creates neither a Cabinet level department to coordinate the Federal programs geared to the needs of the urban communities nor a Cabinet level department to administer the principal programs of the Federal Government which provide assistance for housing. As speaker after speaker has pointed out, less than one-third of the Federal Government's housing activities would be encompassed in the new department.

I have already mentioned that the Bureau of Public Roads is not included. It will stay in the Department of Commerce. Water pollution and sewage disposal programs will stay in the Department of Health, Education, and Welfare. Vocational education funds, social security activities, welfare activities, disposal of surplus Federal properties to schools and hospitals and other municipal entities, Hill-Burton funds, activities designed to promote public health, all will remain right where they are now. And, the more than 40 separate programs of financial aid for urban development involve some 13 departments and agencies.

Mr. Chairman, we simply cannot divide responsibility and expect sound decisions for the most efficient use of the taxpayers' dollars in meeting overall community needs. This is precisely why many of us favor the establishment of an Office of Urban Affairs and Community Development in the Executive Office of the President. This Republican pro-

posal, if adopted, would not discourage local and State initiative or direct the development of appropriate community solutions, but would provide local and State officials with a coordinating point of reference for all Federal programs. This coordination can be achieved with efficiency and economy through the adoption of the alternative proposal offered by the gentlewoman from New Jersey [Mrs. DWYER]. I urge Members on both sides of the aisle to carefully consider the issues at stake here and cast their affirmative vote when Mrs. DWYER presents her substitute bill.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if the general debate has indicated anything at all today, and I believe it has, it has indicated very clearly that most of us have the definite opinion that something needs to be done with respect to the problem of housing and urban development, and we might have a difference of opinion as to how to do it best. I would take sharp issue at a different time with respect to the substitute, which I think does less than what we now have, and presents no real or genuine improvement with respect to the situation. But as for now I shall limit myself to the affirmative presentation of the substantive legislation which is now before us. I think you could start out by simply saying, "Do you feel in your own mind, based on the knowledge you have of the urban growth of this country today and what is reasonably projected for the future, with 70 percent of our people living in urban areas, and with the problems that cross city lines, county lines, and State lines, and where on the eastern seaboard of the United States alone you have a metropolitan area that stretches from Maine to Key West, and it is also true in other areas of the country, do you feel in your own mind that the situation, the problems, the interests, with respect to housing and urban development are sufficiently of a national interest so as to warrant the establishment of a Cabinet position?" I submit, based on the evidence, and based on the knowledge and experience I have had, not only here in the Congress but outside of the Congress, that the time has come in the year 1965 to answer that question in the affirmative.

And I submit it is the only reasonable way to answer it and the general debate today has proven that practically unanimously.

I would submit that taking the existing agencies of HHFA and putting them into a department, giving the department head Cabinet status is the logical way to start. I have been amused at the inconsistent presentation made that all of the urban problems and departments and agencies and programs are not included in this legislation. Well, of course they are not. The committee considered that very carefully, and we decided that the substantive legislation is a reasonable, moderate, proper way to get this establishment organized and started. The remainder is up to the judgment of the Congress at any time subject to the study and the action of the legislative committees and

the action of this House and the other body.

Those who use the argument to defeat this bill that it does not do enough, that they want to take care of all the problems today in one, big, integrated, bureaucratic organization will have the opportunity tomorrow under the 5-minute rule to submit to the judgment of this body whether or not those 60 or 70, or whatever the number of programs there are, ought to be included at this time. I would submit for myself that I would have to oppose those amendments. I would submit also that it is a very inconsistent position. Because in the substitute which is offered they even make the point that a long study of this matter should be made so that recommendations could be offered, so that something could be done in the future with respect to this problem. And they also make it clear by the nature of the substitute that the present start under their proposal will simply be a coordinating function.

The substantive legislation makes a definite affirmative start on what we all know in our heart is absolutely necessary to deal with the problem. It carries out a fundamental recommendation of the Hoover Commission with respect to lodging in the head of an agency all of the functions, the duties, the powers, and the responsibilities. It does not now exist. It does not now exist under the present organization.

You have an able administrator. He is doing a good job. But by reorganization plan adopted by this body and by legislative act you have functions, powers, and duties directed and specifically reposed in lesser officials.

One of the major functions of the substantive legislation before you will be to repose those functions, powers, and duties in a Secretary who will sit at the Cabinet level. Once that point is understood, I do not see how anyone can reasonably argue that in any way any of the functions which have been transferred over from any of the lesser offices now provided by either the reorganization plan or statutory law would in any way be downgraded. For goodness sake, the whole purpose of the legislation is to upgrade them, and the legislation makes that very clear.

For example, and to be specific, we have a Commissioner of FHA under the present situation. Under the substantive legislation that position would be an Assistant Secretary, to be appointed by the President and confirmed by the Senate, just as in the case of the Commissioner, except for the raise in rank and position. And if that does not improve an already very fine organization and a very fine operation then I will be sadly mistaken, based on my knowledge of the history of government.

But certainly it is logical and reasonable to realize that when you take a position that is now Commissioner, appointed with the advice and consent of the Senate, and raise that position to the level of an Assistant Secretary you have upgraded the function, power, and responsibility of that office.

Mr. Chairman, when you take the function now being carried out by an Administrator and repose them in a Secretary, you know full well from your own practical experience and knowledge that this is bound to upgrade the entire operation.

Mr. Chairman, we are talking about what? We are talking about housing and urban development.

Mr. Chairman, housing and its associated industries and related industries are fundamental to the entire economy of the United States: as basic as agriculture, as basic as steel, as basic as labor. Name any economic factor, and when you tie it into housing and urban development you cover the entire range of human activity and economic necessity in this country.

Mr. Chairman, when you add to that the fact that 70 or 80 percent of it is reposed in the urban areas of this country, and when organization after organization and individual after individual has recognized the fact today in 1965 that the only sensible way to solve these problems is in a partnership between the municipality, the county, the State, and the Federal Government, and without this we would not be able to even make a dent in these problems, then I think you must submit reasonably and logically that this legislation does the right thing.

Mr. Chairman, nowhere in this legislation can anyone find any language or any intent or any inference or any testimony that in any way states that the relationship between the city, the county, the State and the Federal Government is to be changed in one iota. The programs that now serve your cities and your counties and your States will be the same program. This legislation does not alter that or modify that or change it in any way. The responsibility to do that remains with you in your individual legislative committees or by action of this body. This is where that responsibility lies. This is admitted because in the argument by the opposition this very point was raised in an effort to detract from the nature of this bill. In other words, one of the speakers says, "Well, it does not really do anything."

Well, Mr. Chairman, it does do something. But we have to be explicit as to what it does, which we submit we have made on the RECORD and we are telling you why in our opinion it needs to be done.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Minnesota.

Mr. MACGREGOR. I was interested in the statement of the distinguished gentleman from Florida with respect to the fact that to no single witness indicated that there would be any change in the existing relationship between National, State and local governments. I would call to the attention of the gentleman the testimony that I carefully read from the hearings, given by Mr. Frank D. O'Connor, in which Mr. O'Connor said:

I respectfully submit we need to centralize responsibility and authority to enhance the power of the Federal Government which must in turn establish and enforce national standards of excellence in planning and building our modern cities.

Does the gentleman from Florida agree that that would effect a change in the relationship between our various levels of government with respect to their functions and community development and community affairs?

Mr. FASCELL. I will say this in response to the gentleman—and I listened to him very carefully when he made that point. I also listened very carefully to the testimony and reread very carefully what Mr. O'Connor said in his opinion of what he wants. But it does not mean anything having to do with this legislation, because it is completely irrelevant.

The principal point is that if you are going to make any change with respect to existing programs you have to legislate on them. This bill does not legislate on existing programs. This bill does specifically what we said it does. That is, to create a Department of Housing and Urban Affairs and provide for a Secretary at the Cabinet level; provide for four Assistant Secretaries, one of whom is specifically designated to deal with the private mortgage sector; provide for a general counsel; provide for an administrative secretary, and then for the necessary language to transfer to the new department the constituent agencies specifically named in the bill: To wit, FHA, HHFA, Fanny May, under the terms and conditions set forth in this legislation. To add anything to this is pure speculation. To infer or to impugn or otherwise detract is certainly within your prerogative, but not reasonable or logical, if you read the legislation. We can raise all kinds of specters and doubts as to the future, but as for me, I am willing to rest with the great judgment that has been exercised by this body and by the other body, and by the individual Members and by the Legislative Committees in responding to the needs of their people. This legislation responds to the needs of the great majority of all the people of this country. That is the reason the bill has come back here time after time.

I am hopeful that this body, this Congress, will respond finally to the needs of the urban areas of this country by adopting this legislation.

Mr. ROOSEVELT. Mr. Chairman, I rise in support of H.R. 6927, to establish a Department of Housing and Urban Development.

There is no doubt that the present problems of urban renewal, expansion, housing, air and water pollution, and public transportation, to name but a few, will become even more varied and complex in the future. As we all know, there have been in existence for many years various agencies working in one or more of the above-mentioned areas. This proposal in no way contemplates establishment of an additional agency, but rather the reorganization of already established agencies into one unified department. Coordination of activities,

now so widely scattered, will permit far more effective and efficient operation.

In addition, I wish to remind you that citizens directly interested in agriculture, for example, are represented in the Cabinet by a department which serves to correlate their interests; the same is true of labor. By the same token, why should not the great majority of people who live in urban areas—now 70 percent of our population—have the prestige of representation through a department whose voice will be heard when overall national policy is being considered at the highest level.

Despite arguments to the contrary offered by opponents of this important measure, there is nothing therein which commits the Congress or the President to provide increased authority or power for the proposed new Department over that extent in agencies now functioning in this same field.

Nor will the rights of States or cities be violated by this legislation. The hollowness of such arguments is clearly demonstrated by the wide endorsement of the proposal at the community level. In fact, as long ago as 1962, when President Kennedy proposed Reorganization Plan No. 1 to create a Department of Urban Affairs and Housing, my own county of Los Angeles, the largest urban county in the United States, endorsed the proposal by vote of its board of supervisors.

As pointed out in yesterday's letter to all Members from the House leadership, the bill now under consideration would do the following:

First, meet a need emphasized by the President for a member of his own Cabinet who can both assist him and speak for him in connection with housing and urban development problems and programs.

Second, give the people and problems in our urban areas a badly needed voice at the Cabinet table.

Third, provide a focal point in the executive branch for officials of local, metropolitan area and State government to get more effective attention to problems of housing, community facilities, urban renewal, mass transit, and so forth.

Fourth, make available to Congress a more authoritative and responsible spokesman for the executive branch in these areas.

Fifth, save money, through stronger supervision over programs involving billions in public funds.

Sixth, improve the organization of the executive branch by providing a center of responsibility for a whole complex of problems which have been growing more rapidly than any other group in our domestic economy, and will continue to grow for the balance of the century, at least.

Seventh, fulfill a specific pledge of the Democratic platforms both in 1960 and 1964.

Many of you have received letters, as have I, which profess alarm at the so-called downgrading of FHA, but we have been assured there will be no such effect, and I am confident such assurances are meaningful.

This entire subject has been thoroughly studied for a long time by both the executive and legislative branches. All have reached the same conclusion—the creation of a Department of Housing and Urban Development is desirable, and the time for the establishment thereof is now.

(Mr. RHODES of Arizona (at the request of Mr. GROVER) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RHODES of Arizona. Mr. Chairman, I rise in opposition to H.R. 6927.

As chairman of the House Republican policy committee I am in complete accord with the stand taken by that committee in opposition to this unnecessary legislation.

There is no need for a Department of Housing and Urban Development. Under this bill the proposed Department would not even make any new contributions to the solution of the Nation's problems in the field of housing or urban affairs.

The bill makes no provisions for continuation of the Federal Housing Administration despite the fact that this agency is one of the best in the Government.

A careful study of the bill has convinced me that the real needs of these areas are ignored by H.R. 6927.

The bill should be defeated.

Mr. Chairman, I wish to place in the RECORD at this point my statement on this bill as released on May 25, 1965, following the action of the policy committee in opposing the bill:

STATEMENT BY JOHN J. RHODES

The large number of Federal programs designed to assist in the solution of the problems of urban communities would be more effective if properly coordinated.

We believe that consideration should be given to the separate views expressed in the report of the Committee on Government Operations on H.R. 6927, in which the establishment of an Office of Community Development to do this job is suggested. The multiplicity of Federal programs in this area should be coordinated and the medium of an office within the executive department is the best means for achieving this end. This is a constructive approach to a specific problem rather than a pork barrel approach, such as H.R. 6927, which uses that problem as an excuse to enlarge the Federal bureaucracy and Federal patronage.

"H.R. 6927 [Department of Housing and Urban Development] is unnecessary, will not accomplish what its proponents represent, and is contrary to sound principles of Government organization. It should not become law."

These are the opening words of the minority report on H.R. 6927. We concur with the attitude they express.

The bill would establish a new Cabinet-level executive department which would swallow up the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration. It would also transfer, as an entity, the Federal National Mortgage Administration to the new Department.

The bill provides for now new governmental functions. Moreover, it makes no provisions for the continuation of the FHA, a vital and effective agency that has functioned adequately for many years.

It does not establish either a Cabinet-level department to administer the principal Fed-

eral programs which provide assistance for housing or a Cabinet-level department to coordinate Federal programs geared to the needs of urban communities. Thus it is neither a Department of Urban Affairs, as those interested in urban problems have been led to believe, nor a Department of Housing as those interested in this field have been told.

Less than one-third of the Federal programs in housing would be encompassed by the proposed Department.

The great majority of urban affairs programs would remain outside the purview of the new Department.

The argument advanced by the bill's proponents that the new Department's Cabinet-level status will result in increased efficiency in the operation of the HHFA is rendered preposterous by the fact that this Agency has done and is doing its job well without any increase in prestige.

Another argument advanced in favor of this bill is of an equally ludicrous nature. It holds that urban dwellers are entitled to representation at the Cabinet level. Yet this would represent the first time a Cabinet-level department would be created merely to serve the people on the basis of their abode.

The President and his Cabinet serve all people—urban and rural. The Secretary of Agriculture serves urban dwellers in his concern with marketing and consumer interests. Commerce, Labor, Interior, all are concerned with matters which effect urban dwellers.

If this concept were to be pursued to its logical conclusion we would find ourselves with a need for Cabinet-level departments for nonagricultural rural dwellers and suburbanites.

Finally, the lack of any pressing reason for the establishment of this new Department necessitates that consideration be given to the ever-present dangers inherent in extending the Federal bureaucracy.

The minority report concludes with this appraisal of that problem: "Bureaucracies once established have a way of growing not only in size but in power. That is especially true with bureaucracies which handle vast sums of public funds. It may well be that the new Secretary of Housing and Urban Development may never be granted any constitutional power by the Congress to direct the affairs of a municipality. But it would be naive for anyone to suppose that conditions and criteria would not be established in the dispensation of loans and grants for municipal purposes which might induce hungry local officials, outbid in the taxation of the people by the huge take of the Federal Government, to surrender some of their autonomy and self-determination in exchange for Uncle Sam's largesse.

Money is power, and whatever may be said of the present Administrator, no one can be certain that some future housing czar will have the fortitude to oppose Parkinson's law and refrain from establishing a nationwide pattern for community development.

The Republican policy committee of the House of Representatives is opposed to enactment of H.R. 6927.

We endorse, H.R. 5173, introduced by Representative FLORENCE DWYER, Republican, of New Jersey, as a better and more effective means of helping to solve urban problems.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open at any point for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development; to encourage the solution of problems of housing and urban development through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban developments; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities, and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for Assistant Secretaries for administration of executive departments.

TRANSFERS TO DEPARTMENT

SEC. 5 (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive re-delegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1964, at rates not to exceed \$100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said funds, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the dependency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Boggs, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, had come to no resolution thereon.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Monday, June 21, to file a report on the bill H.R. 9042.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ADDITIONAL LEGISLATIVE PROGRAM

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I take this time to advise the House of additions to the legislative program. The gentleman from California [Mr. MILLER], chairman of the Committee on Science and Astronautics, will call up tomorrow the conference report on the NASA authorization bill.

Also on tomorrow, the gentleman from Maryland [Mr. FRIEDEL] will call up House Resolution 416.

May I further advise Members of the House that on Thursday there will be a recess of the House to receive Lieutenant Colonels McDivitt and White, the Gemini team.

THE ECONOMIC HEALTH OF THE UNITED STATES

(Mr. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOGGS. Mr. Speaker, the fact that our great country has problems, particularly problems abroad, is something that all thoughtful Americans recognize, but those who spread fear and doubt about the economic health of our country, in my judgment, are certainly not reading nor reporting the facts. I take this time to report to the House the phenomenal record made by the American economy in the month just completed, May 1965. Let me recount some of the figures which show the health of the economy of our country.

To begin with, employment in industry and business reached the figure of 60 million for the first time in the entire history of the United States. Jobs increased in the month of May alone by almost half a million which, incidentally, was 150,000 more than anyone had anticipated and represented 2½ million more workers employed than in May 1964. Stated another way in May 1965 we had the lowest unemployment rate since October 1957.

At the same time the average factory worker's pay rose to \$107.50 a week, a new alltime high, or \$4.50 a week more than a year ago. Three out of every four workers were employed in a plant or factory or business which paid them more than \$100 a week.

So, Mr. Speaker, to compare the events of today to 1929 is to ignore the facts. I hope that all of us will look at these figures and recognize that the American

economy is healthy and moving ahead at a rapid and sound pace.

Here are some additional facts which show the growth and expansion of our economy:

First. The gross national product is now almost \$650 billion; that is, at a seasonally adjusted rate. This represents a climb of almost \$15 billion over the last quarter in 1964. Since early 1961, the gross national product has grown by about \$150 billion per year, which is a climb of about 30 percent.

Second. The United States is now in its 52d consecutive month of a continuous peacetime economic expansion—the longest such peacetime growth in our Nation's history. This expansion began in February 1961.

Third. Since this expansion started, total employment has risen by 5.3 million people; and the number unemployed has dropped by 1.2 million. The unemployment rate has fallen to below 5 percent. The average unemployment rate in the first quarter of 1965 was 4.8 percent. This compares with 6.8 percent in the first quarter of 1961.

Fourth. The gross national product rise in the past 4½ years has resulted in many benefits: First, private consumption has grown by 27 percent; second, fixed business investment has expanded by 38 percent, thus showing the improved productive capacity of business; third, residential construction is up by 30 percent; fourth, manufacturing production has risen by 38 percent; fifth, output of utilities is up by 32 percent; sixth, agricultural output is up by 5 percent; seventh, total wages and salaries paid to workers and executives has grown by 28 percent, or a total of about \$76 million—after taxes, and adjusted for changes in prices, the average weekly earnings of manufacturing workers are up by 16 percent; and eighth, corporate profits, after taxes, have risen by 87 percent; dividends are up by 38 percent; value of outstanding shares climbed almost \$200 million.

Fifth. As a result of the Tax Revision Act of 1962, and the Tax Reduction Act of 1964, corporate, after-tax profits have reached about \$37 billion—at a seasonally adjusted annual rate. This is close to \$5 billion above the rate achieved in the last quarter of 1964; and more than \$5 billion over that rate achieved in the first quarter of 1964.

Business and industry also are continuing to receive the benefits of the liberalization of depreciation allowances on plant and equipment, first initiated by the Treasury Department in 1962. The furthering of this liberalization will provide business and industry with another \$700 million tax benefit in the current year 1965.

The personal income of citizens, since early 1961, has climbed by almost 20 percent—to an average—after taxes—of \$2,315 in the first quarter of 1965.

From the Tax Reduction Act of 1964 alone, the Council of Economic Advisers notes:

First. Consumer spending increased an extra \$9 billion.

them to the attention of all of our colleagues and give them the widest possible distribution.

The Honorable Presiding Officer, gracious host, and members of the Inter-American Bar Conference meeting in San Juan, you will please accept my profound regret that the pendency of the foreign aid bill before the House of Representatives Monday and Tuesday and other important legislative matters coming thereafter prevent Mrs. Pepper and me from being with you as we had so keenly anticipated.

The gracious hospitality of the host members of the Inter-American Bar Conference of Puerto Rico and the importance of the issues confronting the free nations of the Western Hemisphere at this time assure that this will be a delightful and at the same time a challenging conference of the Inter-American Bar Association.

All of us recall with a thrill the letter which the great patriot and liberator, Simon Bolivar, in 1815 wrote to an Englishman in Jamaica of his dream for the Americas:

"How beautiful it would be for the Isthmus of Panama to be for our nations what the Corinthian Isthmus was for the Greeks. Would to God that some day we might enjoy the happiness of having there an august congress of representatives of the republics, kingdoms, and empires of America to deal with the high interests of peace and of war with the nations of the other three parts of the world."

Simon Bolivar realized part of his dream when he convened the first Pan American Conference in 1824. This noble Bolivar dream became a more meaningful reality when a permanent inter-American organization was established in 1890 in Washington. Since 1890 the Organization of American States has become one of the great institutions of the world through 13 inter-American conferences and many less formal assemblies. The Organization of American States has become the voice of the free American nations bound together in fraternal accord and by sense of common interest and destiny, standing indissolubly together against any threat to their security and to their freedom. We are helping one another to make life healthier and richer and happier for all of our people. We now know if we continue to work together and to stand firmly together against those sinister forces who would rob us both of our freedom and of a chance to realize our high hope, that the ancient dream of the good life shall become the common enjoyment of all free Americans.

Yet today, as we stand upon the threshold of our greatest victories of human ills and limitations and danger to our security, we face our greatest danger to our liberties in the fullness of our lives. This danger is of the same character as that which threatened the restoration of foreign tyranny over the liberated American states who achieved their freedom under the great Bolivar. But it takes a more subtle and a more sinister form today. External threats to overthrow the liberated American states could be resisted solely by navies and armies arresting the penetration of foreign military forces. Such defenses, while still effective against similar aggression, are no longer adequate to meet the subtle forms of Communist invasion by subversion which we have to face today. So the immediate and pressing challenge to all the free nations of the Americas at this hour is for the free American states to form the kind of a unity, an organization with all the necessary organs and entities required to resist military and subversive aggression.

This is a common problem for all the free nations of the Americas—not for any one state—for a threat to any American state is, of course, a grave danger to all and we must indeed stand together or risk falling separately.

Therefore, to this great organization of the members of the bar of the free American states, may I, as one of your members, urge you as leaders of the free Americas to set up a committee, if one does not exist, at this great conference to make an immediate study and recommendations as to how the Organization of American States may be strengthened so that it shall effectively meet the dangerous challenge of Communist military and subversive aggression with a common unity, a common effort, and a common purpose. Out of such a study may I respectfully suggest that you consider recommending the following:

1. An early Inter-American conference to discuss any necessary reorganization of the Organization of American States and any necessary amendments to the charter;

2. That the Organization of American States shall have a continuing Council which will be a constant organ of consultation and recommendations for necessary or desired action of the member states in respect to all matters pertaining to the progress and the security of such states; and such Council shall be the instrument of the Organization of American States for the peaceful settlement of disputes between or among member states and in the direction of the peace-keeping forces of the Organization of American States wherever danger to a member state appears.

3. At least semiannually the Foreign Ministers of the member states shall meet to discuss the purpose and the interest of the member states;

4. An Inter-American Court of Justice for the peaceful judicial settlement of disputes between or among the American states;

5. And most importantly of all the creation of an adequate ever-ready military force to protect the free American states or any member or members thereof against any external danger to the state or states threatened, whatever form such external aggression may take.

I believe we all agree that the Organization of American States faces its most supreme crisis—either it shall rise to the challenge of this crucial moment and master the danger and thereby build the enduring foundation for the realization of our hopes and dreams as we work and struggle together, or we shall fall apart into frustration and failure, tragically losing all that Simon Bolivar, and everyone who has followed in his illustrious footsteps, for one and one-half centuries put into the building of the noble edifice of the free and prosperous American states.

You and I know it is primarily the lawyer who is the architect of political institutions—let us as lawyers, in this critical moment, lead the way to a grand design of the American states so that we may achieve that for which Bolivar prayed—the happiness of having an effective organization of the Republics of the Americas to deal with the high interests of peace and of war among ourselves and with other nations of the world.

TO CREATE A DEPARTMENT OF URBAN AFFAIRS

(Mr. HELSTOSKI (at the request of Mr. WALKER of New Mexico) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HELSTOSKI. Mr. Speaker, I rise in wholehearted support of the proposal to create a Department of Urban Affairs, convinced that its passage will answer a legislative need for a majority of our citizens.

Historically, this great Nation once was agrarian in nature, but has de-

veloped to the point where the city has taken its place as the focal point of our society. This trend has been reflected throughout the Western civilization as well.

Today, the majority of Americans live in cities and their suburbs. We have heard estimates—and some say they are conservative—that by the year 2000 more than 80 percent of what will be a 350 million population will live in large metropolitan concentrations.

This migration to cities has not developed without creating unique problems. Action on the highest possible level of government must be taken now, not only for correction but also for prevention of new problems which will be caused by this continuing growth and change within our society.

This is a vital problem, because the health of American society is linked directly with the well-being and progress of our cities and suburbs and the people who live in them.

Today, many of our cities and suburbs are in trouble, or are fast approaching such a state. In many places the corporate body that is the city is growing old. It is not keeping pace economically with its people in many places and with the suburban areas it serves and nurtures. In many urban areas transportation, sewage, and utility systems are old and obsolete; housing is ravaged by age. These conditions create a plant—the city—which by most business standards is often too old and too overworked to be worth maintaining at today's costs.

The expense of municipal services is rising at an alarming rate. Local taxes this year are running about 140 percent higher than they were 15 years ago in many urban areas. And they are continuing to rise, Mr. Speaker. The burden on local government to meet the need for additional services grows daily. There is no end in sight. The growing complexity of living demands more services and increased dependence by individuals upon their municipal corporations. They need more and better schools, highways, hospitals, sewerage and water facilities, more and better programs to house our urban population and improve our communities.

We must begin at once to give greater impetus to this program. We must solve the problem of how to help local communities, large and small, to meet their urgent needs today and to prevent even greater burdens which loom on the horizon.

The first step we must take is to create an executive department to represent our urban population. The voice of the city and suburban dweller and the expression of his needs must be heard at Cabinet level, so his problems can be considered at the proper level of government.

The existing agency—the Housing and Home Finance Agency—was created 18 years ago to coordinate two programs, the mortgage insurance program of the Federal Housing Administration and the program of Federal aid to local communities to provide public housing for low income families.

Since then, a vast new range of programs has been given to the Housing and Home Finance Agency to administer, for Congress has not failed altogether to recognize some of the problems of urbanization and has made provision to solve many of them. But it has ignored the pressing need for the best possible administration of some 40 Federal programs for community development that are now available to urban areas. We must take the reasonable and logical step toward more efficient administration of this complex program. We must establish a department, which because of the importance of its mission, will be heard in the highest councils of government.

The President has reminded us that we cannot define urbanization in terms of numbers alone. We are talking about more than geography and numbers—we are concerned with a way of life. We must remember that the social facts are as important and more so than the numerical definitions. These urban ways of living will be the subject of utmost concern to the new department that is proposed.

Let us not forget, however, that we are not dealing with the problems of the city dweller alone, but with the problems of American society itself.

Regretfully, this proposition has been before the Congress for the past 10 years, without positive result. During this decade of deliberation a new generation a new generation of slum-bred children has reached school age. The pollution of water sources and the tons of smog poured into the air has increased daily and threatens our lives. Clogged city streets and approaches and inadequate transportation facilities still plague the commuter and downtown shopper. Roadside slum towns, junkyards, and esthetic nightmares disgrace us and even raise some question of how civilized we really are in comparison to the barbarian—who built his house separate, apart from all others.

This new department certainly will not be able to answer all the questions or solve all the problems associated with urbanization, but it does offer a start. It can become the coordinating agency for the enormous growth of interest and knowledge that the President has urged us to continue and expand "as we painfully struggle to identify the ills, the dangers, and the cures for the American city."

This new department would provide the best possible administration for principal programs of the Federal Government, providing assistance in housing and in development of our communities. It would aid the President by maintaining maximum coordination of the numerous Federal activities which have a major effect upon urban, suburban, and metropolitan development. It would encourage solutions to problems of housing and other areas of development through state, county, municipal, or other local and private action, including promotion of regional, metropolitan, and interstate cooperation.

It would guarantee full and appropriate consideration at the national level of the needs and interests of the Nation's

communities and the people who live and work in them.

The Secretary of Urban Affairs shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies to foster the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal, State, and local urban development activities and conduct continuing comprehensive studies and make available findings with respect to the problems of housing and urban development. These are responsibilities which must be assigned and carried out at once.

Mr. Speaker, I urge my colleagues to add their support to this proposal so that we may start a new, coordinated effort to improve our cities.

LEGISLATION TO INCREASE FEDERAL ACTIVITY IN DEALING WITH WORLD POPULATION EXPLOSION

(Mr. ROSENTHAL (at the request of Mr. WALKER of New Mexico) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROSENTHAL. Mr. Speaker, today I am introducing legislation designed to increase Federal activity in dealing with the complicated issue of the world population explosion.

This legislation was initially sponsored by two of our Democratic colleagues—the gentleman from Michigan, PAUL H. TODD, and the gentleman from Arizona, MORRIS K. UDALL. I am anxious to join with them in submitting this important measure.

In his state of the Union address, the President promised "to seek new ways to use our knowledge to help deal with the explosion in world population." The legislation introduced originally by Congressmen TODD and UDALL is intended to help implement that pledge.

My bill is designed to establish two new Assistant Secretaries in the Department of Health, Education, and Welfare, to coordinate information and activities of Federal agencies in fields pertaining to the population explosion. It would also authorize President Johnson to establish a White House Conference on Population Problems which would assist in bringing this critical issue before the public, and would promote informed and expert discussion of population problems. The measure is also designed to generate intense research programs.

It should be clear to all who have investigated the population problem that we are living with a time bomb. If present rates of population growth are not checked, the next 35 years will see world population doubled, and that figure will double itself again in less than another 30 years. By the year 2000, the United States will probably be subject to an increase of 150 million people. Facts which dramatize the serious threat of the population explosion are not hard to find. What will be hard, however, is the search for viable and effective solu-

tions to that threat. That search must begin now, and it must begin with the resources of the Federal Government dedicated to a program of research and discussion. The measures introduced by Congressmen TODD and UDALL represent an important step forward. I am happy to join them in urging such action.

POVERTY FIGHT ROLE APPROVED BY LUTHERANS

(Mr. MOELLER (at the request of Mr. WALKER of New Mexico) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MOELLER. Mr. Speaker, on June 4, the Washington Star carried an account of the meeting of the Lutheran Maryland Synod. I ask unanimous consent to have inserted, immediately after my remarks, the article entitled "Poverty Fight Role Approved by Lutherans."

It has been most encouraging to see the enthusiastic participation of individuals and organizations in this fight to eliminate poverty. Church groups have been outstanding in their efforts. Even before the Economic Opportunity Act came into existence, the National Council of Churches had issued materials and directives in this field. Based on a consultation held in January 1962, this organization published a report on the problem of poverty entitled "The Churches and Persistent Pockets of Poverty in the U.S.A." Based on a later consultation in January 1964, this on the Church and youth employment, the National Council of Churches published "Jobs for Youth—A Concern of the Churches Today and Tomorrow."

Since the declaration of war by President Johnson, religious groups have endeavored through magazines and periodicals and booklets to arouse the conscience of their members. The United Church of Christ has recently put out a booklet on "The Church and Poverty." The Methodist magazine Concern devoted its May issue to "The Attack on Poverty." The other faiths have been just as active in making members aware of the need for participation. The National Catholic Coordinating Committee of the National Catholic Community Service has a publication "The War on Poverty: a Handbook." The Council of Jewish Federations and Welfare Funds, Inc. is putting out a series of reports on the participation of the Jewish Community in the war on poverty entitled "Progress Versus Poverty." The Union of American Hebrew Congregations through its Commission of Social Action of Reform Judaism will shortly publish a book on poverty—"There Shall Be No Poor."

Activities of religious groups, resultant from their great interest as well as through incentive from publications and meetings, have been most inspiring. The National Council of Catholic Women, the National Council of Jewish Women, United Church Women, and the National Council of Negro Women are working together in a newly organized group known as WICS (Women in Community Service). This group is assist-

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House passed bill to establish Dept. of Housing and Urban Development.
House Rules Committee cleared omnibus housing bill including title on rural housing.
Senate passed cigarette labeling bill. Senate passed bill to expand salt-water
research program.

SENATE

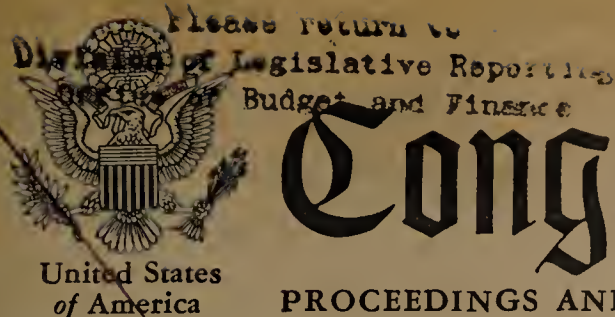
1. CIGARETTE LABELING. Passed, 72-5, as reported S. 559, to provide for regulation of labeling of cigarettes so as to state that smoking may be a health hazard.
pp. 13404-38, 13440-4
2. DEBT LIMIT. Passed, 61-26, without amendment H. R. 8464, providing for a 1-year increase in the public debt limit to \$328 billion. pp. 13394-7, 13399-404
This bill will now be sent to the President.
3. D. C. APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 6453 (S. Rept. 333). p. 13361
4. RECREATION. The Interior and Insular Affairs Committee reported with amendments

S. 360, to provide for establishment of the Indiana Dunes National Lakeshore (S. Rept. 334). p. 13361

5. EXPORT CONTROL. Sen. Robertson said he plans to recommend passage of H. R. 7105, to extend the Export Control Act for 1 year without amendment, in view of the short time remaining before expiration of the Act. Such action would involve rejection of the McGovern amendment to change the requirement that half of our Public Law 480 wheat exports be in American vessels. p. 13370
6. ELECTRIFICATION. Passed with amendment S. 1761, to authorize a third power plant at the Grand Coulee Dam. pp. 13375-7
7. WATER. Sen. Ribicoff discussed and inserted an article analyzing the "debate" between those favoring more dams and those favoring preservation of natural beauty. pp. 13382-3
Passed without amendment S. 24, to authorize appropriation of \$200 million additional for the period ending with the fiscal year 1972, for salt-water research through the Interior Department. p. 13404
8. ECONOMIC SITUATION. Sen. Magnuson inserted an address by Secretary of Commerce Connor, "The Growing Economy." pp. 13385-6
9. POLLUTION. Sen. Byrd, W. Va., inserted his address favoring air and water pollution control. pp. 13386-8
10. INTERGOVERNMENTAL RELATIONS. Sen. Symington inserted Vice President Humphrey's speech on cooperative efforts at Federal and local levels. pp. 13392-4
11. FOREIGN AID. Sen. Harris charged that, while accepting our wheat shipments, UAR is exporting rice. p. 13394

HOUSE

12. HOUSING. The Rules Committee reported a resolution for the consideration of H. R. 7984, to assist in the provision of housing for low and moderate income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, and community facilities (p. 13312). Title IX of this bill "would provide a new program of insured housing loans under the Farmers Home Administration to permit private capital to make mortgage financing available in rural and rural nonfarm areas.
Passed as reported H. R. 6927, to establish a Department of Housing and Urban Development. pp. 13286-304
13. TAXATION. Received the conference report on H. R. 8371, to reduce excise taxes (H. Rept. 525) (pp. 13354-8). Conferees were appointed earlier (p. 13304).
14. TREASURY, POST OFFICE, AND EXECUTIVE OFFICE APPROPRIATION BILL, 1966. Conferees were appointed on this bill, H. R. 7060. p. 13285
15. APPROPRIATIONS. The Appropriations Committee was granted permission to file, by midnight June 17, reports on Defense Department and public works appropriations, 1966. pp. 13285-6



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No. 109

House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with these words of Scripture: I Corinthians 16: 13: *Watch ye, stand fast in the faith, quit you like men, be strong.*

O God, our Father, in whom we find our faith for today and our hope for tomorrow, our pardon of sin and comfort in sorrow; draw us nearer to Thyself in fellowship and make us Thy worthy followers.

Grant that in the uncertainty and perplexity of these days we may have a more adventurous faith with nothing to destroy our sense of brotherhood or limit our personal and social realization of Thy mighty plans and purposes.

May the spirit of our Lord permeate and prevail in all our relations with mankind and in building a better world and a nobler civilization and may our Nation be governed by leaders and people who have the open mind, the fervent heart, and the will to enter into fellowship with all mankind without regard to race or rank.

Hear us in His name who is the only Great Teacher for a world with new outlooks, new demands, and new opportunities. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 214. An act to amend section 2104 of title 38, United States Code, to extend the time for filing certain claims for mustering-out payments, and, effective July 1, 1966, to repeal chapter 43 of title 38 of the United States Code, and

H.R. 7762. An act to amend titles 10 and 37, United States Code, with respect to the Reserve Officers' Training Corps.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H.R. 4185. An act to fix the fees payable to the Patent Office, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8371. An act to reduce excise taxes, and for other purposes.

The message further announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6767) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1966, and for other purposes."

HON. ALBERT W. WATSON

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina, Mr. ALBERT W. WATSON, be permitted to take the oath of office today. The certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WATSON appeared at the bar of the House and took the oath of office.

AUTHORIZING SPEAKER TO DECLARE A RECESS ON JUNE 17, 1965

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in

order at any time on Thursday for the Speaker to declare a recess for the purpose of receiving the *Gemini 4* astronauts, Maj. James A. McDivitt, U.S. Air Force, and Maj. Edward H. White, U.S. Air Force.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DEPARTMENTS OF TREASURY AND POST OFFICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND INDEPENDENT OFFICES APPROPRIATION BILL, 1966

Mr. STEED. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7060) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1966, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? The Chair hears none and appoints the following conferees: Messrs. STEED, PASSMAN, MAHON, ADDABBO, CONTE, JONAS, and ROBISON.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1966

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Thursday, June 17, to file a privileged report on the Department of Defense appropriation bill for the fiscal year 1966.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LIPSCOMB reserved all points of order on the bill.

PUBLIC WORKS APPROPRIATION BILL, 1966

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night, June 17, to file a privileged report on the public works appropriation bill for the fiscal year 1966.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RHODES of Arizona reserved all points of order on the bill.

SUBCOMMITTEE ON COPYRIGHTS OF COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Copyrights of the Committee on the Judiciary may sit while the House is in session today and tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Abernethy	Green, Oreg.	Powell
Ayres	Hagan, Ga.	Rivers, Alaska
Bonner	Harvey, Ind.	Rivers, S.C.
Bow	Hébert	Smith, N.Y.
Bray	Hollifield	Steed
Brown, Ohio	Ichord	Thomas
Cameron	Keith	Toll
Chamberlain	McEwen	Willis
Clausen,	Macdonald	Wilson,
Don H.	Martin, Ala.	Charles H.
Corman	Martin, Mass.	Zablocki
Findley	Morton	
Fisher	Pirnie	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GENERAL SUBCOMMITTEE ON LABOR, COMMITTEE ON EDUCATION AND LABOR

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the General Subcommittee on Labor of the Committee on Education and Labor may meet tomorrow, June 17, and Monday, June 21, in the afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6927, with Mr. Boggs in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it was agreed that the bill be considered as read and open for amendment at any time. The Clerk will report the committee amendment as printed in the bill.

The CLERK. Committee amendment:

Page 4, line 10, after the word "time," add a new sentence as follows:

"One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, Departmental programs relating to the private mortgage market."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MRS. DWYER

Mrs. DWYER. Mr. Chairman, I offer an amendment in the nature of a substitute to the bill H.R. 6927.

The Clerk read as follows:

Amendment offered by Mrs. DWYER: Strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 8822, as follows:

"ESTABLISHMENT OF OFFICE OF URBAN AFFAIRS AND COMMUNITY DEVELOPMENT

"SECTION 1. There is hereby established in the Executive Office of the President an office to be known as the Office of Urban Affairs and Community Development (hereinafter referred to as the "Office"). There shall be in the Office a Director and a Deputy Director to be appointed by the President. The Deputy Director shall perform such duties as the Director may designate, and during the absence or incapacity of the Director or during a vacancy in the office of the Director he shall act as Director. The Director shall receive compensation at the rate of \$30,000 per annum, and the Deputy Director shall receive compensation at the rate of \$27,000 per annum.

"PERSONNEL AND POWERS OF THE OFFICE

"SEC. 2. (a) The Director, with the approval of the President, may appoint in accordance with the civil service laws and the Classification Act of 1949 such additional personnel as he determines to be necessary to carry out the functions of the Office.

"(b) In the performance of the functions of the Office, the Director is authorized—

"(1) to procure by contract services as provided by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55a), at rates of compensation not exceeding \$100 per diem for the personal services of individuals;

"(2) to appoint such advisory committees as he may determine to be necessary for the effective performance of the functions of the Office;

"(3) to designate such representatives as he may determine to be necessary or desirable to maintain effective liaison with executive departments and agencies, and departments, agencies, and instrumentalities of the States, which are engaged in activities related to the functions of the Office; and

"(4) to use the services, personnel, and facilities of executive departments and agencies and those of State departments, agencies, and instrumentalities, with the consent of such departments, agencies, and instrumen-

talities, with or without reimbursement therefor.

"(c) Upon the request of the Director, each executive department and agency shall furnish to the Office such information, suggestions, estimates, and statistics as the Director may determine to be necessary or desirable for the performance of the functions of the Office.

"(d) Subject to the approval of the President, the Director may—

"(1) promulgate such rules and regulations as may be required to carry out the functions of the Office; and

"(2) delegate to any other officer or employee of the Office authority for the performance of any duty imposed, or the exercise of any power conferred, upon the Director by this Act.

"COORDINATION OF FUNCTIONS

"SEC. 3. (a) Subject to the direction of the President, the Director shall take such action as may be appropriate to coordinate the programs of the various departments and agencies of the executive branch which have a major impact upon the Nation's urban areas. Such programs shall include Federal activities relating to housing, urban development and redevelopment, community facilities, highways and transportation facilities, civil defense, water and air pollution, and such other activities as the Director, with the approval of the President, determines relate primarily to urban needs and problems.

"(b) In carrying out his functions under this Act, the Director shall (1) establish and maintain close liaison with the departments and agencies referred to in subsection (a) and (2) consult with State and local officials, and with interested business, labor, and other groups, concerning urban problems and needs.

"INFORMATION ON URBAN AFFAIRS AND COMMUNITY DEVELOPMENT

"SEC. 4. The Director shall establish within the Office a Division of Information on Urban Affairs and Community Development. Through this Division the Director shall compile and make available to State and local officials, and other interested persons, through such means as he determines to be appropriate, information concerning the Federal programs referred to in section 3. The service provided by such Division shall include assistance to State and local officials in relating such programs to specific urban problems or needs.

"RESEARCH AND STUDIES

"SEC. 5. The Director shall undertake research and studies with a view of determining what changes should be made (1) in the programs referred to in section 3 in order to achieve a more effective coordination of such programs with State and local programs designed to meet urban needs, (2) in the allocation of such programs among the various departments and agencies of the executive branch, and (3) in the administration of such programs in order to achieve increased economy and efficiency, to avoid duplication, and to coordinate more effectively the activities of such departments and agencies in the administration of such programs. The results of such research and studies shall be reported from time to time to the President for such action as he determines to be appropriate.

"FEDERAL URBAN AFFAIRS AND COMMUNITY DEVELOPMENT COUNCIL

"SEC. 6. There shall be in the Office an advisory council, known as the Urban Affairs and Community Development Council. Members of the Council shall be appointed by the President upon nomination by the Director from among persons with broad experience and interest in urban and related problems, and may include persons outside the Federal service. The following Federal officials are hereby designated as members ex officio of the Council; the Secretary of

Labor, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Treasury, the Housing and Home Finance Administrator, and the Administrator of Veterans' Affairs. The President may designate other Federal officials as ex officio members of the Council. Members of the Council shall receive no compensation for their services, but shall be reimbursed for necessary travel and subsistence expenses as provided in the Travel Expense Act of 1949, as amended. The Council shall meet at the call of the Director, but not less than twice a year. The Council shall be concerned with all the urban problems mentioned in this Act, including air and water pollution, transportation, sewage, water supply, and urban renewal.

"COMMISSION TO STUDY TRANSFERS OF FUNCTION AND INTEGRATION OF ACTIVITIES"

"SEC. 7. (a) (1) There is hereby established a special commission (referred to in this section as the "Commission") to study the feasibility of making transfers to and from the several departments and agencies mentioned in section 6 of this Act. The Commission shall consist of twelve members appointed by the President from among individuals in private life having substantial knowledge of and experience in housing, urban affairs, mortgage financing, and related fields.

"(2) The Commission may employ and pay the compensation of such staff as may be necessary to the performance of its functions.

"(3) Members of the Commission shall be compensated at the rate of \$50 a day while actually engaged in the business of the Commission, and shall be paid travel expenses and per diem in lieu of subsistence in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 relating to persons serving without compensation.

"(b) The Commission shall conduct a thorough study and investigation of all functions relating to housing and urban affairs which on the date of the enactment of this Act are being performed by departments, agencies, and instrumentalities of the Federal Government, giving particular attention to (1) the distribution of such functions throughout the Government and the effectiveness with which they are being carried out by the departments, agencies, and instrumentalities in which they are respectively vested, and (2) the extent to which further coordination in the performance of such functions, with respect to each other, would serve to increase the overall efficiency and effectiveness of the programs of the United States in the field of housing and urban affairs. Upon the completion of its study and investigation, and in no event later than June 30, 1966, the Commission shall submit a full report thereon to the President together with its findings and recommendations.

"(c) The President, after receiving and considering the report of the Commission under subsection (b), shall prepare and submit to the Congress a reorganization plan (or plans) providing for the transfer to or from the Housing and Home Finance Agency, and other departments, agencies, and instrumentalities of the Government, of such additional functions relating to housing and urban affairs as he may deem necessary or appropriate to promote efficiency.

"REPORT TO CONGRESS"

"SEC. 8. Not later than January 31 of each year, the Director shall submit to the President for transmittal to the Congress a report concerning the activities of the Office during the preceding calendar year."

Mr. FASCELL (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the sub-

stitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mrs. DWYER. Mr. Chairman, the amendment I have just offered is in the nature of a substitute for the committee bill. For reasons I shall mention, it is the conviction of those of us who have introduced similar bills that an Office of Urban Affairs and Community Development in the Executive Office of the President would be far superior to the creation of a Department of Housing and Urban Development—superior in terms of assistance to urban areas, superior in the coordination of Federal urban programs, superior in achieving consistent administration of expensive programs, superior in encouraging State, county, and local action in solving urban problems, and superior in mobilizing interest in and attention to the needs and interests of the Nation's communities and their people.

Under our alternative, Mr. Chairman, the Office of Urban Affairs and Community Development would be headed by a Director and a Deputy Director to be appointed by the President. The Director would be required to take appropriate action, subject to the direction of the President, to coordinate all the Federal programs which have a major impact upon urban areas, regardless of the department or agency which administers a particular program. The nature and degree of coordination would, of course, be left up to the President, but the amendment specifies several of the most important urban programs—including those which relate to urban development, housing, highways and transportation facilities, air and water pollution, community facilities, as well as other programs which the Director and the President determine relate primarily to urban needs and problems.

This provision is in sharp contrast to the committee bill which nowhere specifies urban programs other than those actually to be administered by the new Department.

To carry out this basic coordinating responsibility, our amendment would authorize the Director to maintain close liaison with executive agencies and with State agencies having responsibility for urban area programs; to consult with interested people in and out of government; to appoint necessary advisory committees; to utilize the services of and obtain information from executive agencies; to designate liaison representatives and/or committees of such representatives for purposes of maintaining liaison; and to procure the services by contract of outside experts and consultants.

Here, again, Mr. Chairman, our amendment improves upon the committee bill by expressly providing a whole range of tools with which the Director, subject to the President, can coordinate urban policies and programs.

Our amendment would also establish a Division of Information on Urban Affairs and Community Development which would compile and distribute in-

formation about urban programs to State and local governments and other interested persons, and assist State and local officials to relate existing programs to specific urban problems and needs.

While the committee bill also provides for a clearinghouse, I would suggest that it is more appropriate to locate such a service in a coordinating staff rather than in an operating agency which has primary interest in its own limited programs. The proposed new Department would not seem to be in a very good position to be completely objective about offering advice and information concerning programs which might differ or conflict with their own.

Mr. Chairman, our amendment would also require the Director to undertake studies and research, for the use of the President, in three principal directions: toward more effective coordination of Federal urban programs with those of State and local governments; toward a proper allocation of such programs among Federal departments and agencies; and toward the achievement of greater economy and efficiency, less waste and duplication, and more effective coordination in the administration of urban programs.

In undertaking such important studies, I think we can all agree with President Kennedy that the desired evaluation of urban programs cannot be done satisfactorily by an operating agency at the same organizational level as the agencies it is supposed to evaluate.

Finally, Mr. Chairman, our amendment would establish within the Office a Federal Urban Affairs and Community Development Council and a Commission to study transfers of function and integration of activities. The Council would be an advisory body composed of department and agency heads together with others in and out of Government with special experience in urban affairs. It would meet at least twice a year and concern itself with the whole range of urban problems. The Commission, however, would be made up exclusively of persons in private life having substantial knowledge of urban problems. It would be charged with conducting a thorough study of existing urban programs and reporting to the President on the effectiveness with which the programs were being administered and on the need for further coordination or transfer of functions.

As I have indicated, Mr. Chairman, our proposal has broad support among those most experienced in and concerned with the administration of urban programs. It would meet the primary need for coordination of Federal urban programs far more effectively than could the committee bill. It would create not a huge new Department but a small staff working with policy-level representatives of departments and agencies having urban area responsibilities.

It is somewhat ironic, Mr. Chairman, but very significant that almost all the arguments advanced by proponents of a new Department apply even more directly to our proposal for an Office of Urban Affairs and Community Development.

By way of example, I refer to the current, 1965, statement of policy adopted by the National League of Cities. Although this representative organization formally endorsed both a Cabinet-rank Department and a coordinating office in the Executive Office of the President, its major arguments would justify the Office rather than the Department.

Its policy declares—and I quote:

No single individual or agency at the Federal level is concerned with the aggregate of the urban problem. Nowhere at the Federal level has it been sufficiently recognized that the many existing urban problems with which the Federal Government now deals—highways, airports, urban renewal, water pollution control, public facility loans, etc.—are interrelated and cannot be fully effective unless coordinated with one another.

This recognition, and this coordination, can only be achieved through creation of a small unit at the White House level expressly charged with the duty of helping agencies with related programs work together, toward consistent goals, and in full cooperation with States and localities.

Yesterday's debate, Mr. Chairman, raised two or three questions about our proposed substitute which I should like to clarify.

First. The major contention of proponents of a new Department seems to be that top-level attention to the needs of urban areas can only be assured through direct representation at the Cabinet table. The fact, however, is that top-level policy and action is not the job of the Cabinet, as such. Top-level decisions and coordination in the field of military and foreign affairs are achieved through the National Security Council. Major decisions about the administration's overall program are made through the Bureau of the Budget. Decisions on economic policy are reached through the agency of the Council of Economic Advisers. These staff arms of the President do not make the decisions by themselves, but they bring together the policy-making officials of the operating agencies for the purpose of hammering out agreement on basic policies within the limits of congressional authorizations.

This is what is missing in the field of urban affairs. And it is precisely what our substitute would provide.

Second. The Office of Urban Affairs and Community Development would not be a new bureaucracy. It would consist of a very small staff empowered by Congress and the President to bring together the policymakers in other agencies who, in turn, would do the actual coordinating of policy and programs. The Office, of course, would have no operating authority. Its sole function would be coordination and staff work—a function which could not be satisfactorily done by a single department or its Cabinet-level Secretary.

We recognize fully that for our proposal to be effective the President would have to use it. We assume that he would, just as he uses all his present coordinating devices in other fields.

Mr. Chairman, many of us, including myself, agree wholeheartedly with proponents of the administration bill about

the needs of urban areas, about the importance of giving increased attention to their problems. The issue before us is how best to reach this objective.

We who favor the coordinating staff device contend that simply giving higher status to one agency is not enough. By itself, it is an empty gesture. What is most needed—and the committee hearings and floor debate show wide agreement on this point—is a means of making existing and future urban programs work more effectively regardless of which agencies administer them.

Our substitute amendment would do just that, and I urge its adoption.

Mr. CAHILL. Mr. Chairman, will the gentlewoman yield?

Mrs. DWYER. I yield to the gentleman from New Jersey.

Mr. CAHILL. Mr. Chairman, first of all I would like to compliment the gentlewoman from New Jersey for her continuing interest in the urban affairs of our Nation. I do not know whether the membership realizes it or not, but I certainly would point out that the gentlewoman now in the well of the House has had a continuing interest in all legislation beneficial to the city dweller. One of the principal cities of the State of New Jersey is Elizabeth, which is in the gentlewoman's district. No one in the Congress has worked harder to try to promote the welfare of cities than has the gentlewoman.

I would like to ask a question. Am I correct that the bill to which the gentlewoman has offered a substitute would limit the departments that would go into this Cabinet office basically to housing and transportation, and that, generally speaking, all other matters including, as the gentlewoman has pointed out, area redevelopment, water pollution, civil rights, education, accelerated public-works improvements, all of the myriad public agencies that have as their principal objective benefit to the city dweller are excluded?

Mrs. DWYER. I would say to the gentleman all other agencies are excluded, and other departments. I would not want them included in a Cabinet bill, but I feel our bill is the opportunity for the mayors and those interested in urban affairs to come to a coordinating place to get this help.

Mr. CAHILL. Is not the purpose of this type of legislation to provide assistance to municipal officials so that their problems can be handled in one place; so that a municipal official knows where to come at the Federal level to get the aid he wants?

Mrs. DWYER. That is correct and that is the purpose of this bill, and the mayors back home—at least the mayors I represent support this measure.

Mr. CAHILL. I would like to again compliment the gentlewoman.

Mr. GRIFFIN. Mr. Chairman, will the gentlewoman yield?

Mrs. DWYER. I yield to the gentleman.

Mr. GRIFFIN. I, too, want to commend the gentlewoman in the well of the House for her leadership in connection with this particular legislation and in bringing forth the substitute measure

which, as I said yesterday, is much better than the committee bill. The gentlewoman's leadership has been particularly important in the absence of the ranking minority member of the Committee on Government Operations, the gentleman from Ohio [Mr. Brown] who is in the hospital and who I understand is recovering. I know we all join in wishing him a very speedy recovery.

The bill that the gentlewoman is offering as a substitute points up and puts in proper focus the appropriate role which a new agency in this field should perform, and that is the role of coordinating the existing Federal programs and activities already on the books which bear on urban problems.

Mrs. DWYER. That is correct.

Mr. GRIFFIN. It seems ridiculous to do as the committee bill suggests, to set up a whole new department of the Federal Government and create a new Cabinet post in order to coordinate existing programs that are already operating under the jurisdiction of other departments of the Government.

Surely, the substitute bill that the gentlewoman is sponsoring makes more sense by placing this coordinating function in the office of the President. After all, it is the President, or someone speaking for him and acting directly under him, who is in the appropriate and proper position to coordinate information concerning existing programs already established under the jurisdiction of various departments of Government.

Mrs. DWYER. I thank the gentleman.

(Mrs. DWYER asked and was given permission to revise and extend her remarks.)

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment.

I have a deep respect and affection for the charming and brilliant gentlewoman from New Jersey [Mrs. Dwyer] but I regret that duty comes before affection and I must oppose her amendment, because I believe it would torpedo the bill before us.

The Dwyer substitute amendment would forbid a Cabinet level Department of Housing and Urban Development. Thus it would prevent what our cities need most, which is a voice at the highest departmental level of the Federal Government.

The bill before us, which is sought to be substituted by the amendment, gives the coordinating power to the new Secretary of Housing and Urban Development. Under that bill his job would be to advise the President with respect to all the problems of housing and urban development, to recommend to the President policies for fostering the growth of our urban areas, to exercise leadership under the President to coordinate all Federal activities affecting urban development, to provide technical assistance to our local communities in developing solutions to these problems.

All of this Cabinet level stature would be wiped out if the substitute amendment were adopted. Not only this, but the substitute amendment also would

wipe out the application of an excellent recommendation of the Hoover Commission that any agency head must have control over his subordinate agencies.

The bill before us, H.R. 6927, does exactly that. The substitute amendment would wipe out this great opportunity for economy and efficiency.

What it all boils down to is that if one is opposed to elevating the problems of our cities to Cabinet status, he should vote for the substitute amendment. But if he believes that cities are entitled to Cabinet rank, he should vote against the substitute amendment.

Mr. FARBSTAIN. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. FARBSTAIN. Is there any power or authority contained in the substitute amendment which is not presently in the Housing and Home Finance Agency?

Mr. REUSS. There is no such authority. The Hoover Commission recommendation to save taxpayers dollars, by giving authority to the head of the agency, would, if the substitute amendment were adopted, be lost.

The substitute amendment attempts to set up an Office of Community Development at the White House. The justification is that this would provide a one-stop service for the local officials who come to Washington. Let us take a look at this. If it really is going to provide a one-stop service, and if it really is going to put under one hat the functions now exercised by Agriculture for school lunches, Defense for civil defense, HEW, Labor, and almost every other department of Cabinet level, this would mean that the White House would have something like 200,000 officials and employees trying to make this one-stop possible.

Of course, this is not the intent. The intent is to set up a very small office at the White House. This would mean that the overburdened city official would have to make the rounds in Washington he already makes plus one additional, unnecessary and superfluous stop at the White House.

There may be a need for a White House specialist, in addition to a Cabinet office, on the problems of our cities, but this clearly is no substitute for a Cabinet level department.

I hope that the substitute amendment will be voted down.

Mr. GURNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

(Mr. GURNEY asked and was given permission to revise and extend his remarks.)

Mr. GURNEY. Mr. Chairman, it occurs to me that the issue is very clear as between the bill we have under consideration on the House floor and the substitute amendment offered by the gentlewoman from New Jersey. They serve the same coordinating function so far as urban affairs are concerned, except that the bill before us would do it by creating a new department and establishing a new secretary and the substitute amendment would accomplish it by setting up an Office of Urban Affairs

in the Executive Office of the President. That is really the issue before us. Which is the better way to do it?

It occurs to us on our side of the aisle who are supporting the substitute amendment that it makes a great deal of sense to do this in the Executive Office of the President.

Let us first take a look at the problem if we did it by a department method. We would set up a department and create a secretary who would have no power and no authority so far as control over urban affairs was concerned.

If you will look in the committee report, there are about three pages of fine print setting out just a partial list of some of the functions of urban affairs that are now in the various departments. For example, there are about 50 in the Department of Health, Education, and Welfare alone. In the field of education alone, in the next fiscal year, there is about \$6 or \$7 billion that we are going to devote just to education alone, most of which or a good part of which goes into urban areas. Do you think the Secretary of the Department of Health, Education, and Welfare is going to give up any of its power or authority to the new secretary of Urban Affairs in this area? I ask you to look back to last year when we created the Office of Economic Opportunity, which we call the poverty war. Do you remember the currents of dissension that flowed around Capitol Hill and around the bureaus on the question of whether Mr. Sargent Shriver would take some of the power and authority away from some of the present departments of the Government such as the Department of Health, Education, and Welfare? There was all kinds of conflict which swirled around here.

Now, what I am trying to point out is that those heads of departments and those secretaries will be very jealous of the powers they have and they will not surrender them willingly. If you have in the Office of the President a person who is an extension of the President's right arm, if you will, as far as urban affairs are concerned, who is charged with the job of coordinating urban affairs and is charged with the job of amassing information and facts and figures about what is going on in the other departments of the Government as far as urban affairs are concerned, and with the mission of advising the President concerning plans in this urban area, and with the mission of consulting with the people from the cities who come to Washington and want information about this matter, do you not think that would be a far more effective way to accomplish this mission than by creating a Cabinet officer who is on a level with the other officers but who obviously cannot pick up the phone and say, "I am speaking for the President in this matter." He cannot, because when he does they will feel he is trying to usurp some of their authority and trying to do something which is within their own personal special prerogatives.

I think that is the reason why the idea which is in the bill will not work, and I also think it is the reason that we can put our finger on as to why the idea in the substitute amendment will work. So,

I submit for the consideration of the House we should give serious thought to adopting the idea in the substitute amendment. I would sincerely hope that the House will support it and vote for it instead of the bill before us.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with due respect to the arguments that have been made by the preceding speaker and those who advocate supporting the substitute, it seems to me the substitute must be opposed. I say this because I think the problems of our cities are of the first rank. They are of such monumental importance to our way of life that they deserve and they require attention on the Cabinet level. One distinguished architect has rightly said that the salvation of civilization may lie as much in the development of America's cities such as Chicago, New York, Los Angeles, and other great metropolitan centers as in the sustaining of Berlin.

It was my responsibility, Mr. Chairman, during the first 14 years I was a Member of this House to be a member of the Subcommittee on Independent Offices of the Committee on Appropriations. In that capacity we reviewed the affairs of some 39 to 40 independent agencies, all of whom have very responsible functions to perform. I spoke frequently to the administrators of those agencies, to executives and officials, and if they had one complaint, it was that they were not on a sufficiently high level in Government to be given the attention that their problems deserved, and conversely, that the departments tended to downgrade them because they were on a lower Government level. They were impressed with the fact that although they dealt with critically important matters, more so, to their mind, than those in some of the departments, they could not get the same kind of attention for their problems as did those who occupied departmental stations. That is why I say, Mr. Chairman, it is important that a department be created that will be able to have the maximum effectiveness in dealing with the problems of the cities.

The second point of disagreement between the majority and the minority on this bill lies in the interpretation of what is meant by the phrase, "urban affairs." From their arguments, I have the impression that the minority believes that the phrase "housing and urban affairs" is to be considered as one phrase, as one unified activity, that urban affairs in this context relates almost exclusively and entirely to housing. I do not accept that interpretation and that is why I take this time now to interrogate the committee for an explanation of the meaning of the phrase. I should like to ask the distinguished gentleman from Florida, who is in charge of this bill, Does the phrase "urban development" as it is used in the bill and as it is used in describing the proposed Department and its functions, relate exclusively to housing, or does it apply as well to all activities and to all problems which make up the life of the city and the city dweller? My view is that it applies to the latter interpretation.

Mr. FASCELL. Urban development is a broad term; and the gentleman is correct. It applies to whatever may be properly and reasonably interpreted as relating to urban development problems. Housing is only one of them.

Mr. YATES. May I pursue the question further with the distinguished gentleman from Florida? I take it from the gentleman's answer that the proposed department and the Secretary would have responsibility for all activities of the people who live in the city and its environs. For example, does it apply to water and air pollution, also to highways, to health, to employment, to transportation, to civil defense, to recreation, to cultural development, and to social welfare problems, just to name a few of the vital matters which are of concern to those who live in urban communities.

Mr. FASCELL. They include all of those areas dealing with urban development. The language specifically says that the Secretary would have the duty and the responsibility, for example, of developing and recommending to the President policies for fostering the orderly growth and development of the Nation's urban areas. Housing is one of the particular items that has been mentioned. So this bears out exactly the gentleman's argument. It is to be read in the same context, so that it relates to all of the urban development problems.

Mr. YATES. Then I take it from the gentleman's answer—and I certainly agree with him—that the fundamental difference between the bill approved by the committee and the substitute that has been offered by the minority lies in the question as to whether or not there is to be a department to deal with these problems or whether there is to be a minor office to take care of such problems.

Mr. FASCELL. The gentleman is correct. And the gentleman from Florida made that point.

Mr. YATES. Yes, and I agree with him.

Mr. ERLBORN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. ERLBORN. Since the gentleman has brought up the subject of the authority of the proposed Cabinet rank department in fields other than housing, may I ask the gentleman if he can point to any language in this bill that gives this new proposed department any authority outside of the field of housing, except some vague language as to advising the President?

Mr. YATES. Mr. Chairman, that was the question that I addressed to the gentleman from Florida in our colloquy a few seconds ago and he answered the question.

Mr. ERLBORN. I would advise the gentleman that the only paragraph in this bill referring to anything other than housing or other than what is now in HHFA is subparagraph B of section 3 which relates only to advising the President.

(Mr. YATES' time having expired, he asked and was given permission to proceed for 1 additional minute.)

Mr. YATES. Mr. Chairman, as I stated before that was exactly the question I addressed to the gentleman from Florida. The gentleman from Florida in response to my question declared that the specific items to which I made reference were among those included in the term "urban affairs." He said that the proposed department would have an interest in all those fields, among others.

Mr. ERLBORN. I would challenge the gentleman from Florida or the gentleman from Illinois to find any authority in this proposed department other than the authority to advise the President.

Mr. YATES. Again, may I say to the gentleman that the reply of the gentleman from Florida certainly met that challenge.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, the bill, particularly on page 3, is replete with authority to do a coordinating job.

It is true that the first responsibility mentioned is merely to advise the President. However, there are six other responsibilities: to develop policies for fostering the orderly growth and development of the Nation's urban areas; to exercise leadership; to coordinate Federal activities affecting housing and urban development; to provide technical assistance and information, including a clearinghouse service to aid local governments in developing solutions, and so on and so on.

Mr. YATES. I thank the gentleman from Wisconsin for his additional information.

Mr. Chairman, I cannot declare too strongly the need for approving this most important instrument for dealing with our mounting urban problems. We not only need to develop local institutions cognizant of planning for the orderly growth of metropolitan areas and the skilled manpower needed to work in this highly complex field, we must provide for the orderly channeling of Federal cooperation and assistance in the interstate relationship that exists today between the cities and the Federal Government. There are intergovernmental relations, problems of fragmented governmental authority, and uncoordinated Federal and regional programs. The problems of the aged, the young, the poor, the racial minorities, the poorly housed, all require attention. There are the financial problems arising from increased tax rates, from maximum budgets in State and local communities. There are the fiscal problems of growing congestion, the flight into the suburbs, polluted air and water, and antiquated and inadequate transportation systems.

Facilities built even recently to accommodate specific and projected numbers of people become obsolete almost as soon as they are constructed. Schools, housing, sewage, mass transportation, streets, all are jammed beneath the growing weight of the numbers of people using them. The problems are likely to become more rather than less acute, unless we plan and prepare for the future.

A Department of Housing and Urban Development is necessary for that purpose.

At the present time, 70 percent of our population lives in urban areas. As our population grows, 80 percent of that growth will occur in the same urban areas. The Department of Housing and Urban Development would be of tremendous benefit not only to these urban dwellers but to all our citizens.

Few people in our country know the city's problems as thoroughly and as well as Mayor Richard J. Daley, of my own city of Chicago, who testified on behalf of this bill. He stated to the committee:

Chicago—Like other central cities—is the core of a great metropolitan area with residents of suburbs, towns, and other cities—all with similar urban problems—all facing similar urban problems. I feel that I am here not only speaking for the people of Chicago, but on behalf of a much greater urban population.

The city is a set of interlocking systems—systems of residence areas, industrial areas, recreational spaces, commercial centers, and community facilities. Tying together these systems are webs of communications and transportation. A decision made in any one of these areas will affect circumstances in each of the others. A new industrial center will demand new transportation facilities, and the persons it employs will need housing, health, and recreational facilities, and community services.

Because every system is so related to all the others, it is essential that they be coordinated closely at the highest levels of municipal planning. The Federal Government, too, has a stake in their orderly planning.

The total estimated expenditures of the Housing and Home Finance Administration—the major Federal agency dealing with urban development—for fiscal 1966 are \$1,074,435,000. This figure does not include the expenditures of the Federal Home Loan Bank Board, the Federal National Mortgage Association, the Federal Housing Administration, the Public Housing Administration, the Urban Renewal Administration, nor the Community Facilities Administration, all of which would be included in the Department of Housing and Urban Development. Clearly the number of agencies, the scope of their activities, and the scale of the funds they are handling make the administration of housing and urban development an operation of national dimensions.

Since 1947, when the HHFA was established to provide coordination for the housing programs then existing, new urban development programs—community facilities, urban renewal, mass transportation—have been established under its jurisdiction. However, in many respects the HHFA remains a holding company in its organizational structure. It should have full authority to accomplish the integration and reorganization of the functions of all these programs, an authority which it will derive from departmental status.

It should also have the authority and responsibility of planning for the future. This it cannot do as a loose federation of

agencies. The quality of foresight and of planning today for future operations has always been a respected American attribute. This bill gives us the opportunity to create, today, the framework for dealing with increasingly complex and related problems.

Critics of the bill have asserted that the creation of a Department of Housing and Urban Development will siphon away from the localities the authority and the incentives which they have to initiate development projects for their communities, in violation of the basic principles of the American system of government. On the contrary, I believe that the creation of the Department should serve to stimulate local and metropolitan planning. Local determination is now being threatened by the rapid growth of State and Federal programs of aid without coordinated administration. If these programs were coordinated under a single Department, the channels of communication would be expanded not only between the Federal Government and the localities, but among the localities as well.

Other critics have said that there is no justification for the representation of a geographical entity such as the city. This criticism reveals a serious misunderstanding of the purposes and scope of the proposed legislation. First, the responsibilities of the Department of Housing and Urban Development would not be confined solely to the large metropolitan centers. As of January 1964, 646 out of a total of 1,402 reservations for projects under the jurisdiction of the HHFA were for cities with less than 100,000 residents, and fully a third of these 646 projects were for towns with populations between 10,000 and 25,000. There is no limitation on the size of communities which may benefit from the Department's programs.

Second, it is a serious error, I believe, to think that any program which aids our urban areas is limited only to these areas. This is a united nation. The city is not an entity isolated from rural areas. Both make up our great country. We of the cities are very much aware of the fact that policies which aid those who live on farms benefit city dwellers as well.

On the positive side, Mr. Chairman, and a repugnant point, the life of the cities helps set the tone for the life of the Nation. The comprehensive plan of Chicago makes this point clearly:

The aims and aspirations of a great city must extend beyond merely assuring the basic necessities of life. The city is the source of new ideas of social progress and of artistic achievement, as well as industrial production. It contains art museums, orchestras, and public monuments and open spaces, as well as factories and offices. It is a place to live as well as to make a living.

As long as men live in communities, especially in the highly interrelated communities of today, legislation designed to improve the quality of that life will be of service to all our citizens.

I urge approval of the committee bill.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ERLENBORN asked and was given permission to revise and extend his remarks.)

Mr. ERLENBORN. Mr. Chairman, I rise in support of the amendment which has been offered by the gentlewoman from New Jersey [Mrs. DWYER].

Mr. Chairman, I believe that the issue now before the House is where do we wind up after we have determined, as I believe most everyone in this body has determined, that something should be done to coordinate the proliferation of Federal programs aimed at aiding the urban areas of our country?

Mr. Chairman, the question really is before us as to whether the bill H.R. 6927 which is under consideration, or the substitute which is offered, being the substance of the bill H.R. 8822, which puts the greatest emphasis upon coordination and to solving the problems of the urban areas, should be adopted.

Mr. Chairman, as I pointed out in my remarks against the bill on yesterday, I believe there are levels within the executive department, starting with agencies at the lowest level and going to departments, Cabinet-rank departments at the next level and then, of course, I think we would all agree that the highest level in the executive is the President himself.

Mr. Chairman, I submit that the bill which has been offered as an amendment by the gentlewoman from New Jersey [Mrs. DWYER] puts the greatest emphasis and puts the solution of these problems at the highest level, in the Office of the President himself.

Mr. Chairman, prior similar legislation has been introduced over the years, legislation designed to create a Cabinet-rank Department of Urban Affairs. This year about the only change in this bill is a change in the title. In prior years it was referred to as the "Department of Urban Affairs and Housing." This year it is "Housing and Urban Development."

Mr. Chairman, as I pointed out, in the hearings in the committee, I am not certain whether it was the genius of the draftsman or the genius of the salesman that made this bill all things to all people. But apparently the mere change in the title, putting housing first, would satisfy those who are interested in housing, because many of these same people in prior years came here to testify against almost identical legislation. So those who are interested in public housing and private housing feel that this bill would do some good for them, merely because the title has been changed and the emphasis placed upon housing.

Those interested in urban affairs, such as our mayors throughout the country, feel that this in some way is going to help coordinate the various Federal programs available to them.

But, Mr. Chairman, I submit that there is no real coordination provided for in the bill which has been offered by the majority. However, real coordination can and would be effected if the substitute which has been offered by the gentlewoman from New Jersey [Mrs. DWYER] were adopted, because at the very highest level of the executive department the authority of the President himself, we would have the Executive Office of the President providing coordination

among and between the various departments that have authority in the many, many areas of urban development and the problems which go with it.

So, Mr. Chairman, I support the amendment which has been offered by the gentlewoman from New Jersey [Mrs. DWYER] and I hope that it will be adopted as a substitute to the bill under consideration.

I feel that if this substitute is adopted we will then have a real opportunity to provide some direction to the proliferation of Federal programs for the urban areas.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I shall be glad to yield to the gentleman from New Jersey.

Mr. CAHILL. I wonder if the gentleman could tell us whether or not the committee was able to make any estimate of the comparative costs if the bill as presented as a substitute is adopted and then implemented?

Mr. ERLENBORN. There was no testimony in the committee concerning that; however, there was testimony as to the bill under consideration in the committee that there may be some savings of \$50,000 possible if the bill were adopted. I think this was incorrectly stated as \$50 million in the debate yesterday. The only testimony as to possible savings, and this would result from the elimination of one or two positions, was something like \$50,000.

Mr. CAHILL. I thank the gentleman.

Mr. McCLODY. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Illinois.

Mr. McCLODY. I commend the gentleman on the statement he has made. In addition, it occurs to me that a very weak argument in favor of this legislation is the fact that the proposal has been pending for a long time. However, the substitute about which the gentleman has spoken indicates a definite improvement over any proposal which has heretofore been made, and it appears clearly that a great deal of economy and usefulness could be accomplished by adopting the Republican substitute, H.R. 8822, and enacting this into law.

Are we going to place jurisdiction over subjects of education, health, highways, water and air pollution, and other subjects identified essentially with urban growth, in the proposed Department of Housing and Urban Development?

No, of course not.

Problems of education, health, and water and air pollution will remain with the Department of Health, Education, and Welfare.

Many other problems relating to our urban areas will remain with the existing Departments of Labor, Interior, Commerce, and others.

There is no suggestion that the authority or prerogatives of these Departments are to be diminished or superseded.

Accordingly, it seems to me that the proposed new Department of Housing and Urban Development will give status to the new Secretary and bureaucracy to be created—but not service, not econ-

omy, and not efficiency, which should be the aim and function of this legislation.

The Republican substitute, H.R. 8822, would fulfill the objectives sought by the Congress.

I urge adoption of the substitute bill as an amendment and the enactment of the substitute, H.R. 8822, as a useful and serviceable change in the law for the benefit of the citizens of the cities and metropolitan areas of America.

(Mr. McCLODY asked and was given permission to revise and extend his remarks.)

(Mr. ERLBORN asked and was given permission to revise and extend his remarks.)

Mr. MORSE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened with great interest to the comments of those on the majority side in their attack on the substitute bill. The arguments they make in favor of the administration bill point out the merit of the substitute offered by the gentlewoman from New Jersey.

We can all agree that the Federal Government has made a commitment to assist the metropolitan areas of this Nation in the solution of the problems that a complex society has placed before them. The question is how the Federal Government might best help fulfill that commitment.

There is no mechanism today that would provide for coordination of the numerous Federal programs affecting urban areas. In fact, the administration bill demonstrates this. The fact that there is presently no coordination between Cabinet departments which have responsibility for urban programs demonstrates that the creation of another Cabinet-level department is not going to achieve the coordination which the administration bill seeks.

I have been in the bureaucracy, I have worked in the executive branch. Some of my colleagues have not. I think it is proper to say that a Secretary of a Cabinet-level department is not going to relinquish willingly an activity which has been within his jurisdiction simply because another department having a label which would seem to encompass it is created.

The administration bill would not achieve coordination. On the contrary, it would create even greater chaos, even greater confusion than now exists. We have, as you know, several dozen programs relating to metropolitan activities, to urban affairs, to urban development, whatever you choose to call it, which are now vested in practically all Cabinet departments and the independent agencies of the executive branch.

I think it is imperative to note that closely related programs vested in different departments are handled from entirely different perspectives. The only way to correct this is to create an authority outside all departments which will permit the bringing of all these elements under one effective whole. So when the gentleman from Wisconsin says that what we are seeking to create by the substitute bill is a minor office, I say to him that what we are seeking to create

is an agency within the executive branch which can achieve coordination among the many activities that are presently spread among a plethora of Cabinet departments and independent agencies.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. MORSE. I yield to the gentleman.

Mr. REUSS. Coordination is great and I am all for it. But why does the gentleman oppose the Cabinet-level Department concerned with the problems of our cities? He can coordinate all he wants to either through their departments themselves or through the special office of the White House, if that is what he wants, but why does he and others who press this point of view fight the Cabinet-level Department for our cities?

Mr. MORSE. I will say to the gentleman, if this bill proposed by the administration were in fact a Cabinet-level Department for urban affairs and for urban development, perhaps the opposition for which I speak today would not be present. But the bill that the administration has brought before this body is not a bill to create a Department of Urban Affairs. It is a bill which does little more than elevate those responsibilities now vested in the Housing and Home Finance Agency to Cabinet status. I think the gentleman's own admission that the 30 or 40 or 50 other activities relating to urban affairs would not be touched by the administration bill is evidence of the validity of the position which I and my colleagues take.

Mr. REUSS. Why then does the gentleman not seek to amend the administration's Cabinet proposal by adding to it whatever activities now exercised by other Cabinet-level departments he thinks belong in the domain of urban affairs?

Mr. MORSE. If the gentleman knew of the difficulty I had even to appear before the subcommittee, I think he might not ask that question.

I think it is imperative that the question which was posed by the gentleman from Illinois to the gentleman from Florida with reference to the other activities, which are admittedly not touched by the administration bill, and which the gentleman from Illinois indicated in response to an earlier inquiry would be properly coordinated by the administration be answered. I ask the gentleman from Florida just what would happen to the programs dealing with water pollution and so many other Government activities which affect urban affairs under the administration bill.

Mr. FASCELL. The same things that would happen under the substitute bill.

Mr. MORSE. I think the gentleman would do well to read both bills.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I may have the attention of the gentleman from Massachusetts [Mr. MORSE] who just left the well of the House, I wish to call to his attention the language on line 10, page 3, of the bill. We assume that the Secretary will be the head of a cabinet. Other Secretaries are heads of other cabinets. The Secretary shall do certain things. On line 10, it says:

"Exercise leadership at the direction of the President"—

As you see, it says "at the direction of the President in coordinating Federal activities affecting housing and urban development."

What additional authority would you give under the substitute bill that could be exercised that would be greater than a Cabinet-level Secretary exercising leadership under the direction of the President for coordination?

Mr. MORSE. In response to the gentleman's question, I will say that it seems to me the concept of leadership as used in the administration bill would require personal initiative. It is not coupled with any specific legal authority vested in the Secretary to effect the kinds of things that would be accomplished under the substitute bill.

Mr. HOLIFIELD. The gentleman certainly does not say that when the Congress passes a law directing a Secretary to exercise leadership, under the direction of the President, he carries with him only the mandate of the Congress. He also is authorized to obey the mandate of the President to do the things provided for in section (b) on page 3.

Mr. MORSE. I am quite sure that the Secretary, under the proposed bill, would exercise that leadership. I have no such confidence that the other Secretaries of Cabinet rank would respect that leadership.

Mr. HOLIFIELD. The other Cabinet members are subject to serve at the will of the President. Certainly if the President designated one Cabinet officer to do a certain job of coordination the other Secretaries would have a responsibility either to coordinate with him under the direction of the President or to hand in their resignations.

Mr. MORSE. The gentleman has just described the kind of confusion I predict will occur if the administration proposal passes.

Mr. HOLIFIELD. I see no confusion involved.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. YATES. Does it not depend upon the interpretation given to the phrase "urban development"? That was the subject of the colloquy between the gentleman from Florida and myself.

Mr. HOLIFIELD. That is correct.

Mr. YATES. "Urban development" refers to all problems relating to the city and the city dweller.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the substitute amendment offered today by the gentlewoman from New Jersey [Mrs. DWYER]. I feel, as other Members have said, that it represents on her part, and on the part of more than a score of Members of this body who have put in companion pieces of legislation, a sincere effort to do something about the problem we have tackled in this bill.

I have been interested in the colloquy which has gone on between my friend from Illinois [Mr. YATES] and the gen-

tleman from California [Mr. HOLIFIELD], wherein the gentleman from Illinois has sought to create the impression—I am sure in all sincerity—that this is going to be an all-encompassing department which is going to coordinate and handle all urban affairs as they affect city dwellers.

I am curious, therefore, why in at least two places in the committee report—on pages 13 and 15—there is language stating that the reason the proposed name of this department was changed from that of Department of Urban Affairs to Department of Housing and Urban Development was to make it clear “that the Department would be concerned with the development (but not other ‘affairs’) of all urban areas—large and small.”

The reason I have asked for this time, in addition to raising this issue is to call the attention of Members of the Committee to the fact that we have had raised in the debate, I believe today and also yesterday, the very prestigious name of the Hoover Commission on Government Organization. People have sought to create the impression that this bill is a direct outcome of a recommendation of the Hoover Commission.

I point out that the Hoover Commission Task Force on Lending Agencies, dated February of 1955, recommended not that the Housing and Home Finance Agency be elevated to Cabinet status, as this bill would do, but the very opposite. It said that the Agency should be discontinued and that its components should be divided into three separate establishments. They recommended separating the economically sound, businesslike functions of the Agency from the subsidy programs. In other words they recommended putting the FHA into one department, because this is not a subsidized program on the part of the Federal Government. It has never cost the taxpayers a dime. They recommended putting that into one department, and putting public housing, urban renewal, and so-called welfare programs into another department entirely separate from the subsidy programs.

I should like to clear that up once and for all. The Hoover Commission has not recommended a new Cabinet Department of Urban Affairs, and never did.

As I said yesterday in the debate, I believe the real mischief in this bill is the effect it will have on the complete restructuring of our Federal Government. I listened this morning in the Rules Committee to some testimony on the poverty bill and the compound of chaos and confusion which has arisen out of the attempt, under title II of that bill, for community action programs, to interfere with traditional Federal-State relationships. I believe the seeds of incalculable mischief sown in that bill are going to flourish and grow to a mighty oak if we ever pass this bill and start the kind of bureaucracy which inevitably will result under a Cabinet Department of Housing and Urban Development.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman from Illinois yield?

Mr. ANDERSON of Illinois. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I listened with interest and approval to the statements which were made yesterday and today on behalf of the substitute. It seems crystal clear to me that if we really want to do something of substance to help and to assist those who come from my district or from your district or other districts to untangle the maze they are confronted with when they come to Washington to seek a solution to an urban problem. If we want to untangle the maze the substitute is by far the better way to approach it. Under the substitute we will have a centralized operation in the Office of the President in the White House for those who seek information, those who seek help, and those who desperately need action for the solution of those problems that plague our metropolitan areas.

Mr. Chairman, I hope that the substitute is approved.

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the distinguished minority leader for his comments, and I would join him in the plea to this committee and to this House that in the honest and sincere effort that has emanated from both sides of the aisle to do something about urban problems. Rather than plunging headlong into the creation of a new Cabinet department with all of the difficulties it involves, let us try the proposal which has been suggested in good faith and in good logic, I think, by the distinguished Member of this body, the gentlewoman from New Jersey [Mrs. DWYER]. Let us adopt the substitute and create an Office of Community Development within the Executive Office of the President.

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, first of all, let me quote very briefly from the Hoover Commission task force report dealing with departmental management and put in proper perspective what the principal recommendation of the Hoover Commission was with respect to departmental management:

Legislative history since 1913 revealed a reluctance to create new executive departments and a disposition to establish many other types of administrative agencies. This tendency should be reversed in the interests of administrative efficiency. We believe that the Federal Government should now proceed to organize most, if not all, of its administrative activities within executive departments.

What we are talking about is strictly the organizational setup. We have never alleged that there was any specific recommendation with respect to a particular department. Obviously that is left to the judgment and to the discretion of the President to recommend and to the House and the other body to legislate on.

This is what we are proposing to do with the legislation before us. Comparing the substitute and the substan-

tive bill before us, I think that the gentleman from Florida [Mr. GURNEY] put his finger right on the issue, namely, do you want an aid in the office of the White House as a director to do the job which is suggested be done under the legislation in the Cabinet office. The proponents of the legislation feel the need is of such interest and of such widespread national importance that it should be done at the Secretarial level in the Cabinet. Those who oppose and are proponents of the substitute feel otherwise. As far as the difference is concerned, it is a difference without a distinction with respect to the authority that might or might not be created, because in the language on page 3 of the substitute it reads:

SEC. 3. (a) Subject to the direction of the President, the Director shall take such action as may be appropriate to coordinate the programs of the various departments and agencies of the executive branch which have a major impact upon the Nation's urban areas.

It is no different than the language in the bill, but it gives the responsibility to the Secretary to coordinate these problems. Why is that? Because we all know it will either take a reorganization plan submitted by the President or it will take a legislative act to make any changes which are not now made in the legislation. The substitute makes no changes, it takes no functions, it takes no powers, or it takes no duties away from any department and transfers them to another department or to the office that they seek to create in the White House. So there is no transfer of authority in the substitute and it accomplishes no more than other language seeking to do with coordination which is in the bill.

Mr. GURNEY. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I will be glad to yield to the gentleman from Florida.

Mr. GURNEY. Will the gentleman give any other example in Government today where a Cabinet officer is charged with the duty of coordinating other departments of the Government?

Mr. FASCELL. I believe the Department of Agriculture has that responsibility. We are providing in this bill that this responsibility rests in the Secretary of Housing and Urban Development established thereunder. Nevertheless in order to transfer any function or any duty or modify any program or change the organizational structure of any other department, this would have to be done by a reorganization plan or legislation. The problem with respect to this is no different in the bill under consideration. However, under the bill the Secretary would do the coordinating, advising, and recommending. Under the substitute this would be done by a director in the Executive Office.

Mr. GURNEY. May I pose this further question? I would agree with the gentleman; he is right. But the bill will not accomplish anything unless they send up an Executive order by the President transferring—

Mr. FASCELL. Neither does the substitute.

Mr. GURNEY. Transferring agencies, or unless legislation is passed to that effect.

Mr. FASCELL. Neither does the substitute.

Mr. GURNEY. Cannot the gentleman see a real Donnybrook as far as the Government is concerned, if this is to become law?

Mr. FASCELL. No, I do not see any real Donnybrook. I see an opportunity to bring this subject matter of urban development in proper perspective and begin by an orderly process. That is what the legislation seeks to do from the managerial standpoint. The Hoover Commission said, and that is what this bill says, that we should provide a managerial tool; namely, that the head of a department should be the repository of such duties, functions, and powers assigned by legislation. This is what the President wants. He could have it in the Executive Office, but obviously that is not the answer. We know that. Furthermore, the substitute provides a study and provides a lesser official to do the job, whereas under the bill that job is the responsibility of the Secretary.

But the substitute has this large failing. It does not transfer to the Secretary the powers, the duties, and the functions of the specific departments which are named in the legislation. So in that respect, the substitute is completely inadequate, completely deficient, and does a lot less than the legislation. In other words the substitute leaves the present organizational structure as it is.

I would submit to the gentleman that the issue is, Do you want an officer of lesser power and importance to do this job, or rather part of the job, because the substitute does not do everything that the bill does—or do you want a Secretary at the Cabinet level to do it? The answer is obvious.

Mr. Chairman, I submit that the substitute ought to be defeated because it does less than its proponents claim.

Mr. RUMSFELD. Mr. Chairman, I rise in support of the substitute. Mr. Chairman, I do not intend to take the 5 minutes. I simply wanted to express the thanks of the minority party to the gentleman from Florida [Mr. FASCELL] and the members of the Rules Committee for their cooperation and assistance in developing a situation where the rule would make in order the offering of H.R. 8822 as a substitute, and as a motion to recommit. I think it has helped to provide a most constructive discussion and debate on this important subject.

Mr. ELLSWORTH. Mr. Chairman, I support the substitute amendment proposed by the gentlewoman from New Jersey to provide for the creation of an Office of Community Development in the Executive Office of the President.

Unlike the administration's bill, which would incorporate existing agencies and administrations into one comprehensive department, the Dwyer substitute would encourage coordination and assistance between the Federal Government and the

various local and State governments. This coordination would extend to all programs involving our urban and metropolitan area—not just those few now contained in the Housing and Home Finance Agency. It would include highways, air and water pollution, airports, education, juvenile delinquency and crime control, unemployment, public health, and a host of other programs that the administration bill would not reach. This cooperative approach would encourage, not discourage, local and State initiative. It would do this by providing these offices with a point of reference instead of a big brother dressed in redtape, for there would be no significant increase in bureaucracy but rather greater efficiency and economy. Mr. Chairman, there are now 60 programs dealing with urban matters. It would be administratively impossible for a Cabinet-level Department to coordinate the programs in coequal Cabinet departments.

The Dwyer amendment is a sound, logical approach to a uniform national policy which would benefit rural, urban and metropolitan areas across the United States. I urge its adoption.

The CHAIRMAN. The question is on the substitute amendment offered by the gentlewoman from New Jersey [Mrs. DWYER].

The question was taken; and on a division (demanded by Mr. ERLBORN) there were—ayes 65, noes 91.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ERLBORN

Mr. ERLBORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERLBORN: Page 5, beginning in line 2, strike out "the Federal Housing Administration and".

Page 5, immediately after line 14, insert the following:

"(c) There is hereby transferred to the Department of the Federal Housing Administration, its officers and employees, its insurance funds, assets, liabilities, contracts, property, records, and obligations, together with all functions and powers of the Federal Housing Administration which are hereby vested in, and shall be exercised by, a Presidentially appointed Federal Housing Commissioner under the supervision and direction of the Secretary."

Mr. ERLBORN. Mr. Chairman, the amendment that I am offering at this time was requested by the Mortgage Bankers Association of America. It has to do with the very important future status of the Federal Housing Administration.

As has been pointed out by many of those who have discussed the legislation under consideration, one of the most respected agencies in the Federal Government has been the Federal Housing Administration.

Mr. Chairman, this is an agency that does not cost the taxpayers. However, it has done more, in my opinion, than any other single agency of Government to promote home ownership, which has been and for many years has been, the goal of the average American citizen. FHA, I believe, has done more to promote this goal than any other agency of Government.

Mr. Chairman, the witnesses in the committee who were proponents of the bill, H.R. 6927, all agreed that the FHA had in the past done a good job. They were not saying that this legislation was needed to improve the status of FHA and no one claimed that the Federal Housing Administration needed to be at a Cabinet level in order to do a good job or to do a better job than it presently is performing. But many of the witnesses expressed concern, very real concern, for the future of the FHA.

In effect the bill, H.R. 6927, is silent as to what happens to the FHA in the future. Presently it is an independent agency. It is a constituent agency of the HHFA.

Mr. Chairman, the purport of my amendment would be to take out of section 5 the blanket transfer of FHA along with the other constituent agencies of the Housing and Home Finance Agency, and transfer the FHA specifically in a new subparagraph (c) to the new Cabinet-rank department, but to do this in an independent way in order to protect the integrity of the FHA.

This amendment also provides there shall be a Presidentially appointed Federal Housing Commissioner who will have supervision of the FHA in the future. So that the whole purpose of this amendment is to protect the integrity of FHA. If we do not adopt this amendment when we go back to our respective districts and discuss in future years with our constituents the position of FHA which will then have been merged into a Cabinet department and be thrown in with urban renewal, mass transportation, and other problems, we are going to have some very unhappy constituents, people who have in the past relied on the excellent service furnished by FHA to permit individual homeownership.

All of the Members of the House some time this week received a copy of a telegram such as I received in my office yesterday from the Mortgage Bankers Association of America, which reads:

We urge you to vote for the comprehensive amendment we have been endorsing to protect the Federal Housing Administration within the Department of Housing and Urban Development if it is introduced from the floor.

This is the amendment referred to in that telegram, the amendment that has been requested by the Mortgage Bankers Association of America. This is an amendment that will protect the future integrity of FHA. I think we all would be much better off if this amendment were adopted. It would make this bill a better bill, and possibly against my own interests aid in the passage of the bill. However, it will protect the Federal Housing Administration as an independent agency.

Mr. Chairman, I urge adoption of the amendment.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, my colleague the gentleman from Illinois [Mr. ERLBORN] offered this amendment in committee, and it was turned down by the committee by a vote of more than two to one.

Let me make this very plain. Mr. ERLBORN's amendment would detract from the power and the responsibility of the Secretary in a Cabinet-level department. No other Cabinet-level department has this type of detraction and, because of the language of his amendment, the powers, the responsibilities and the functions would go through a subordinate of the Secretary. While it pays lipservice by using the words "under the direction of the Secretary," it puts the officers and employees, its insurance funds, assets, liabilities, contracts, property, records and obligations, together with all functions and powers of the Federal Housing Administration which are hereby vested in, and shall be exercised by, a Presidentially appointed Federal Housing Commissioner under the supervision and direction of the Secretary.

How could the Secretary of a Cabinet-level position direct and supervise a man who had all of the authority vested in him on a subordinate level? That is what we are seeking to get away from at the present time by setting up a Cabinet-level department, because we are seeking to take statutory powers and functions which are in the Administrator of FHA, the Administrator of the Federal National Mortgage Association, the Administrator of the Public Housing Administration, the Administrator of the Urban Renewal Administration, and the Administrator of the Communities Facilities Administration, we are taking away their statutory power and putting those powers in the Secretary of the new Cabinet-level department, which is the principal reason for the bill.

So the gentleman's amendment destroys the purpose of the bill.

Let me point out to my colleagues in the House that on page 4 we have taken care of FHA, the integrity of it, by saying one of the assistant secretaries shall be designated to administer, under supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

So, while we leave the authority in the Secretary, we do say that one of the Assistant Secretaries shall have within his division of the Cabinet-level department, the functions of supporting the private mortgage market which is administered at this time by the FHA and FNMA. Now, while the gentleman has said an organization supports his amendment, that is true. But among the organizations favoring the enactment of this bill and this amendment, which has already been adopted in the bill, were the United States Conference of Mayors, the National League of Cities, the National Association of Counties, the National Association of Home Builders, the National Housing Conference, the American Institute of Planners, the American Institute of Architects, the American Federation of Labor and Congress of Industrial Organizations, the National Association of Housing and Redevelopment Officials, and the National Association of Mutual Savings Banks. Those are the organizations that endorse the committee bill and stand behind the committee amendment and, by inference at least, they are in opposi-

tion to the Erlenborn amendment or against the Erlenborn amendment. So I ask that the Erlenborn amendment be voted down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUMSFELD. Mr. Chairman, I move to strike out the last word and rise in support of the Erlenborn amendment on FHA.

Mr. Chairman, I would like to ask the gentleman from California a question with reference to some remarks he made. Is the gentleman telling the Members of the Committee that all of these organizations which he just listed are supporting the Committee amendment—which I believe is what he said? Or does he mean to tell the Members of the Committee that, in fact, those are the individuals and the organizations that supported the original bill and not the amendment? Have they all been contacted again since the amendment was adopted.

Mr. HOLIFIELD. All of these organizations supported the bill and we have heard from none of them in regard to the FHA amendment which several of the organizations were concerned about, the FHA, and we were concerned about the FHA and we felt that we have taken care of the FHA.

Mr. RUMSFELD. The gentleman is not leaving the impression that all of these organizations have been recontacted since this amendment was adopted?

Mr. HOLIFIELD. No, but they are familiar with it. They were present when the amendment was offered by the National Housing Association. We heard from none of them in opposition to this amendment. We assume they are for it.

Mr. RUMSFELD. I thank the gentleman. I just wanted to have the RECORD clear on that point.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RUMSFELD. I yield to the gentleman.

Mr. ANDERSON of Illinois. Mr. Chairman, I would merely like to point out that the position which the majority party and my distinguished friend, the gentleman from California [Mr. HOLIFIELD], take today represents a complete reversal of the position they took in 1961 when at that time there was offered and we accepted within the Committee on Government Operations an amendment which would have the effect of doing what the gentleman from Illinois [Mr. ERLBORN] seeks to do: to preserve what has become a household word, the FHA, and to preserve its independent status. I find it passing strange that today we see a complete reversal on this issue and that now, contrary—as I said in the well of the House a few minutes ago—contrary to the recommendations of the Hoover Commission in 1955 on lending agencies, they want to subsume in this huge new department the activities of the Federal Housing Administration.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield for a rejoinder?

Mr. RUMSFELD. I will be happy to yield to the gentleman in a moment. But I would like to leave just this thought

and possibly the gentleman would like to comment on it.

The remarks of the gentleman from California in opposition to the Erlenborn amendment seemed to me to leave the impression that the amendment is an unusual one and that this would be a very strange situation indeed. Of course, you know we have the Internal Revenue Service, which is basically a separate entity, as I understand it, within the Department of the Treasury. We have the FBI in large part a separate entity within the Justice Department. I do not see that there is anything so unusual about an amendment which would leave the FHA basically as an entity within the new department.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. RUMSFELD. I am glad to yield to the gentleman.

Mr. HOLIFIELD. I believe the gentleman will find that the statutory power in the case of the different agencies he has mentioned is vested in a Secretary to exercise at the department-head level.

Mr. RUMSFELD. Is the analogy not correct that Presidential appointees head the FBI and Internal Revenue Service and that they function, in large part, apart from the Department?

Mr. HOLIFIELD. But the powers of the Cabinet Department are vested in the Secretary of the Department and not in any of the subordinate people underneath.

Mr. RUMSFELD. Is that true with respect to the Internal Revenue Service?

Mr. HOLIFIELD. I am certain it is true.

Will the gentleman yield further, so that I may make a rejoinder to the comment of my friend, the gentleman from Illinois [Mr. ANDERSON]?

Mr. RUMSFELD. I am happy to yield further.

Mr. HOLIFIELD. As shown on page 13218 of the RECORD for yesterday, I submitted a letter from Charles L. Schultze, Director of the Bureau of the Budget. I will read only one sentence from the letter. It is close to the end:

However, I do mean to indicate that the basic mortgage insurance functions will undoubtedly continue under the Department to be identified officially with the name "Federal Housing Administration."

So we are not going to lose the name of the FHA. We are not going to lose the good will of the FHA. We are not going to lose the name of the Federal Housing Administration. That will be continued, under the same name as now, and it will be concentrated under one of the Assistant Secretaries, who will have the sole responsibility for the FHA function and the Federal national mortgage insurance.

Mr. GURNEY. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment. I shall be brief.

It was very interesting to note the argument just made in opposition to the amendment by the gentleman from California, who pointed out the real dilemma in which the majority party finds itself on this bill. The gentleman said that the principal reason for the bill was

to create a Cabinet position and to put Housing in charge of it. He said that is what the bill would accomplish, and the committee amendment accomplished just that, yet the closing arguments made by the gentleman from Florida, a few minutes ago, emphasized what the bill would do as to a Department of Urban Affairs. This is the dilemma. It is supposed to do one thing, but really would do another.

I should like to point out also to the gentleman from California what the gentleman from Illinois pointed out. In the hearings grave reservations were expressed about what the bill would do so far as the private mortgage market is concerned. I quote from the testimony of Mr. Boutin, who is executive vice president of the National Association of Home Builders. He said that "primary recognition" must be "given to the role of privately financed housing and proper safeguards" must be "established to insure the continued high level of operations of the Federal Housing Administration and the Federal National Mortgage Association."

So the witnesses were quite concerned about the role of the mortgage operations under the bill.

I submit that the testimony does not show at all that they are satisfied with the committee amendment.

Furthermore, the Mortgage Bankers Association of course registered, in its statement, stern opposition to the bill as a whole because of danger that mortgage activities of the present housing agencies would be in jeopardy. I would think, in order to satisfy these grave reservations, that the amendment offered by the gentleman from Illinois should be supported by the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ERLBORN].

The question was taken; and on a division (demanded by Mr. ERLBORN) there were—ayes 74, noes 99.

Mr. ERLBORN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ERLBORN and Mr. FASCELL.

The Committee again divided; and the tellers reported that there were—ayes 101, noes 153.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WYDLER

Mr. WYDLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYDLER: Page 1, lines 3 and 4, strike out "Housing and Urban Development" and insert "Urban and Suburban Development".

Page 2, line 20, strike out "Housing and Urban Development" and insert "Urban and Suburban Development".

Page 2, lines 22 and 23, strike out "Housing and Urban Development" and insert "Urban and Suburban Development".

Page 5, line 20, strike out "Housing and Urban Development" and insert "Urban and Suburban Development".

Page 5, lines 23 and 24, strike out "Housing and Urban Development" and insert "Urban and Suburban Development".

(Mr. WYDLER asked and was given permission to revise and extend his remarks.)

Mr. WYDLER. Mr. Chairman, this is a very simple amendment, but it goes to the heart of the bill in a manner of speaking, because it would change the title of the proposed Department. I think the change that I am suggesting is a good change, a farseeing change that looks to the future and not back to the past. I wish the gentleman from Florida [Mr. FASCELL] would accept this amendment. I am a new member of the Committee on Government Operations. I would have offered this amendment in committee had I been a member of the committee at the time of the committee's consideration of the bill. I am not suggesting that the name being suggested is a bad one, but I believe the one I am suggesting is a much better one and a much more descriptive name for the proposed Department.

What I am suggesting is that the name, Department of Housing and Urban Development, be changed to the Department of Urban and Suburban Development. Why? Well, it is pretty obvious to me, if what I have heard in the debate here is true, that as the years go by this proposed Department is going to concern itself with the whole spectrum of urban affairs and suburban affairs relating to our cities and suburbs of this Nation.

Mr. Chairman, not too many years from now people are going to ask why is there so much concentration on the word "housing," when this Department is concerned with matters of air and water pollution, with matters of transportation, and so forth? They will ask, Why do we call it the Department of Housing and Urban Affairs?

Mr. Chairman, I believe that question is inevitably going to be asked and that sooner or later the name will be changed to make it more descriptive. I imagine this name was chosen to make it a little easier to get it through Congress in the first place by making it sound as if this was really a housing department. However, I do not believe that is really what is intended here for the future.

Mr. Chairman, I feel we should call the proposed Department by the name that will best describe its proposed activities. All of us know that the relative importance of housing with which this Department will concern itself is going to decrease over the years and the relative importance of the suburban part of the Department is going to increase.

Mr. Chairman, I represent a part of this Nation that is suburban in character, the Fourth Congressional District of New York. I do not mind the farmers having their department, the Department of Agriculture; and the cities having their department, if they want it, the Department of Urban Affairs. But we cannot ignore the fact that the trend today is for the people to move into the suburbs as the suburbs represent the rising, growing, and dynamic part of our Nation and are going to be the most important part of our Nation in not too many years.

Mr. Chairman, we should recognize that fact now. I am asking that we change this name at the present time, rather than waiting for the future.

Finally, Mr. Chairman, let me say this: There are differences between urban and suburban affairs. So, both are essential.

There are some things in our part of the country, the New York metropolitan area, which should be done in concert and in cooperation with the city of New York. But there are other things that we should do independently, between the localities and counties concerned. There are affairs that are uniquely suburban and coordination should be county to county, municipality to municipality. They concern things which have nothing to do with the city of New York. And so it is across this Nation today. The suburbs are no longer satellites of the cities they surround.

Mr. Chairman, the name as proposed in the amendment which I have offered would truly describe the coming relationships that are going to exist with which this proposed Department is supposed to deal.

Therefore, Mr. Chairman, I would like to see the amendment adopted and the name of the new Department be the Department of Urban and Suburban Affairs.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to the amendment.

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Chairman, the committee and the subcommittee of which I am a member considered a number of different titles but they felt that considering the substantive legislation, the intent of the legislation, the title which we chose for the bill that is pending before the House today, the Department of Housing and Urban Development, most accurately describes the workings of the department and the intention of the administration as well as the intention of Congress.

To change this name to the name proposed in the amendment offered by the gentleman from New York would make no substantive change in the bill.

Therefore, Mr. Chairman, I urge the defeat of the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Illinois.

Mr. YATES. Does not the term "urban" include the core of the city and the surrounding areas?

Mr. ROSENTHAL. It surely does and throughout the bill there is the clear-cut statement that the entire metropolitan area is covered in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WYDLER].

The amendment was rejected.

Mr. ERLBORN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this opportunity to announce that a motion to recommit will be offered with directions to substitute the substance of the bill H.R. 8822, introduced by the gentlewoman from New Jersey, for the bill under consideration.

I hope that we will at the proper time, when the motion to recommit is offered, receive the support of the House in substituting the language within the Executive Office of the President rather than raising the matter to Cabinet status.

The membership should be advised that the motion to recommit will take that form.

Mr. GILBERT. Mr. Chairman, I rise in support of H.R. 6927, to establish a Department of Housing and Urban Development. I am one of the sponsors of this proposal and I see an urgent need for improved operation of the Federal Government's housing and urban development programs which would be provided under such a new, separate department.

The bill will place at the Cabinet level the major Federal-aid programs for coping with the problems arising from rapid growth of our urban areas.

President Kennedy sent the proposal for a Department of Urban Affairs and Housing to Congress in 1961. I have sponsored this legislation since then, and it has received intensive study by the Congress, the executive branch, and all concerned with and interested in housing and urban development activities.

Cabinet status for housing and urban development programs will give more ready access to the President for the purpose of advice and consultation, and will establish a liaison with other departments concerned with related programs and overall Federal economic and fiscal policy. The programs concerned are of the highest importance in terms of effect on the welfare of our people, on national economy, and on operations of State and local governments.

Our urban population has quadrupled in the past 60 years; almost 135 million. Our 220 metropolitan areas contain 135 million people—over 70 percent of our entire population. Thirty more million people will be added to our cities in the next 15 years.

By 1975, we will need over 2 million new homes a year; we will need schools for 10 million additional children, welfare and health facilities for 5 million more people over age 60, transportation facilities for the daily transportation of 200 million people and over 80 million automobiles.

Thus, in 40 years, when our urban population doubles, we will be faced with the task of duplicating our housing facilities, utilities, schools, recreation, and other urban facilities. Our cities are already in distress. Physical decay—from obsolete schools to polluted water and air, and lack of recreational facilities—breed social decay and this is reflected in the rise in crime rate, juvenile delinquency, and school dropouts. Our national welfare is dependent upon the orderly growth and development of our urban areas.

H.R. 6927 will centralize responsibility and authority of the Federal Government to establish and enforce national standards for planning and improving our cities. The new Department will serve as a clearinghouse and research center, and will provide local governments with a centralized resource of information and assistance concerning Federal programs affecting urban areas. The mayors of our cities and other local officials have testified and given strong support to this proposal, which will provide a focal point within the executive

branch for city and State officials to receive more effective attention to the problems of housing, urban development, community facilities, and mass transit.

Mr. Chairman, it makes sense to have Government programs and activities of such magnitude and importance to our cities under one head and one department.

Several years ago, the Administrator of Housing and Home Finance Agency, Robert C. Weaver, pointed out the need to coordinate the greatly expanded Federal activities in the urban and housing fields, such expansion being caused by the mushrooming needs of our cities. He stated that the Housing and Home Finance Agency was an administrative monstrosity whose responsibilities have outgrown its capacities, and pointed out the necessity for consolidation and reorganization.

All of the housing and urban development functions now in the Housing and Home Finance Agency would be vested in the new Department. Housing, with its many related agencies, has become one of the prime economic interests of the Nation. We must provide policy direction and coordination for the dozens of different housing programs that extend assistance to urban areas.

Housing continues to be one of the major problems of the area I represent—the 22d District of New York. The shortage of housing and living conditions in many substandard dwellings have grown worse in recent years.

Mr. Chairman, the establishment of this new Department would make available to Congress a more authoritative and responsible spokesman for the executive branch in the areas of housing and urban development. It would not be costly; on the contrary, money would be saved through stronger supervision over programs involving billions of dollars.

The duties and responsibilities of the new Department, headed by a Secretary appointed by the President, would be first, to coordinate Federal activities affecting housing and urban development; second, to advise the President on Federal programs dealing with housing and urban development; third, to develop and recommend to the President policies to provide for orderly growth and development of urban areas; fourth, to conduct continuing studies of housing and urban development problems; fifth, to provide technical assistance and information, including a clearinghouse service, to assist local and State governments in developing solutions to urban development problems; and, sixth, to encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and local development activities.

Mr. Chairman, I urge the House to approve H.R. 6927, to provide a Cabinet-level Department of Housing and Urban Development, so we may have the needed and necessary leadership to coordinate and operate efficiently and effectively the many Federal programs in the fields of housing and urban development. Placing the functions of housing and urban development under a Cabinet-level Federal department will give proper rec-

ognition to the importance of urban problems in the social and economic advancement of our Nation.

Mr. OTTINGER. Mr. Chairman, I rise in support of H.R. 6927 because I am convinced that the establishment of a Cabinet-level Department of Housing and Urban Development is vital to the Nation.

Today, 70 percent of our people live in urban areas and by the year 2000 more than 80 percent of our population increase will occur in urban areas.

As the Representative of two counties in the New York metropolitan area, I know full well how urgent will be the need for homes and schools and public services. In just 40 years, urban areas will require more than 2 million new homes a year; schools for 10 million more children; health and welfare facilities for our senior citizens; and transportation facilities that will carry commuters in and out of the central cities quickly, efficiently, and economically.

In this latter regard, I would like to point out that Westchester County Executive Edwin G. Michaelian, in a statement before the Senate Committee on Banking and Currency in 1962, urged consideration for the establishment of a Department of Transportation within the executive branch, "to bring together all of the diverse elements in the complex picture of mass transportation."

No one will deny the need for coordination of Federal, State, local, and private efforts to improve mass transportation. But this is just part of the complex situation we face as a result of the massive expansion in urban population. The magnitude of problems faced by our urban areas and the great number of Federal programs designed to help solve them call for coordination and administration at the highest levels.

The bill before us today calls for no new programs, and it was endorsed by the Budget Bureau because it will enable the Federal Government to streamline and make more economical many existing programs. The new Department will not merely add another department to the Federal bureaucracy.

The establishment of a Department of Housing and Urban Affairs will provide effective direction, coordination, and management so that the Nation will realize the greatest possible benefits from Federal programs designed to develop and improve our urban areas. I strongly urge support for this legislation.

Mr. ASHLEY. Mr. Chairman, opponents of the legislation before us agree that our cities are faced with many problems but they point out that this bill does not authorize any new programs to deal with them. In the next breath they say that State and local responsibility in urban affairs would be discouraged by creating the new Department because it would somehow indicate that the Federal Government is going to do the whole job.

This is nonsense, Mr. Chairman, and there is no better evidence of this than the fact that the overwhelming majority of mayors throughout the country have endorsed the establishment of this new Department, as have the National Asso-

ciation of Home Builders and scores of other associations and groups closest to the urban scene.

An even worse argument against the bill is that the housing situation in the United States has been greatly exaggerated and that there simply is not the need for a Department concerned with urban development. This, of course, flies in the face of all known facts. The enormous growth of American cities in recent decades is a matter of record and no one yet has come forward to dispute the projections which show that in the next 40 years we will have to build the equivalent of all that has been constructed in America since the first colonists arrived. Must we wait, Mr. Chairman, until we find ourselves further mired in the chaos of unplanned urban sprawl before we begin to organize ourselves to the task ahead? Only those who are incapable of assessing the shifting demands and dynamic changes in modern-day America could recommend such a course.

With respect to the provisions of the bill before us, let me say that I was most impressed with recommendations made by the homebuilding industry that there be incorporated an express provision assuring that the programs of the FHA would be administered at an appropriately high level. The amendment proposed by the Government Operations Committee to section 4(a) of the bill carries out this recommendation. It provides that an Assistant Secretary shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

The National Association of Home Builders, which is the major organization representing the private homebuilding industry, has made it clear that it is entirely satisfied with this committee amendment, and that it strongly supports the legislation to establish the new Department. Witnesses on behalf of the NAHB have also made it clear that they view the basic mission of the new Department as being to help provide good homes in good urban neighborhoods, well served by public facilities, including sewer, water and recreational facilities and mass transportation. The industry thus recognizes that good housing development and good urban development are merely two faces of one coin, and not competing currencies.

Under the legislation as introduced, the functions of the FHA will in fact be upgraded. Because ultimate responsibility for these functions will be vested in the Secretary of the Department, they will at long last be represented at the Cabinet level. This is the level where overall economic governmental policy is made; and this is the level where the claims of housing and urban development should receive a fair hearing.

Under the committee amendment, the day-to-day administration of programs affecting the private mortgage market will be assigned to the level of an Assistant Secretary—this being a level as high as, or higher than, that at which the programs are now administered.

The Assistant Secretary will of course be an appointee of the President and

confirmed by the Senate. For these reasons, it seems abundantly clear to me that the Federal functions with respect to private housing are assured by this bill of greater attention within the Federal Government than ever before.

It also seems clear to me that any move to place the legal authority for FHA programs in a subordinate official within the Department, rather than in the Secretary, would only serve to downgrade, and not to elevate, these programs. Certainly, nothing could be gained by such a departure from the principles of good public administration—or, for that matter, good business administration. Surely, the ultimate legal authority for a program should rest with the head of an organization, and not with a subordinate official who would, as all agree, be subject to his direction and supervision. Such an arrangement would merely create confusion by seeming to separate final responsibility from legal authority.

Mr. GRABOWSKI. Mr. Chairman, today we are considering what has recently been termed the most controversial piece of legislation to be introduced in this session of Congress.

It is indeed strange, Mr. Chairman, to consider the forces that have been mustered against the creation of a Department of Housing and Urban Development.

Whom do they represent?

Certainly there is no doubt that we are an urban nation. In his message on the cities, President Johnson noted that 70 percent of our present population is urban and pointed out that "a half century from now, 320 million of our 400 million Americans will live in such areas."

Is not the Federal Government obligated to structure itself in keeping with its shifting population? Do the opponents of a Department of Housing and Urban Development fail to see the significance of population as the bedrock of true democratic representation in a republican form of government?

I would suggest, Mr. Chairman, that the opponents of this bill represent an outmoded aristocracy that is determined to prevent the growth of democratic government in the United States.

They most decidedly do not represent the little farmers and other rural folks who have long benefited from the programs of the Department of Agriculture.

No, Mr. Chairman, I would say that if they represent anyone it is the local oligarchy in many of our small and middle-sized towns who see the programs of the Federal Government as searchlights that will expose their domination of local affairs to the people.

The creation of a Department of Housing and Urban Development is favored by the vast majority of the people of the Nation, be they urban or rural.

The people favor the establishment of this new Department because they realize that we live in a new time, an urban era, that calls for fresh thinking and new institutional arrangements.

When the Congress created the Department of Agriculture, it did so because that was where the problems of our country manifested themselves most

clearly. Today our problems are primarily urban problems and we can do no less than recognize this fact by creating a Department in the Federal Government to help deal with them.

Of equal importance is the coordination by this new Department of Federal assistance programs. By focusing attention on the city and its surrounding area, the new Secretary of the proposed Department of Housing and Urban Development can bring to policy-level meetings of the Cabinet a comprehensive overview of problems involving many Federal assistance programs administered by many Federal agencies.

Here as the Cabinet level, coordination can be worked out so that Federal policy is consistent with the desires and capabilities of both the Nation and the local communities involved.

Mr. Chairman, the lengthy debate on this proposal has given ample time for any real grassroots opposition to the creation of a Cabinet-level post for Housing and Urban Development to rise. None has been produced.

In the hearings recently held by a subcommittee of the House Committee on Government Operations, little opposition was found while witness after witness came to praise the much-needed and much-belated creation of a Department of Housing and Urban Development.

Evidence can be found that such a Department has been advocated as far back as the early 1900's and legislation to create a Cabinet post for urban representation has been introduced in every Congress since 1954.

Hearings have been held on such a concept five times in the House of Representatives alone, not to mention those held in the Senate.

Mr. Chairman, the time has come to act on this piece of executive reorganization.

Our urban population can wait no longer for relief.

I propose that H.R. 6927 be enacted without further delay.

Mr. ROYBAL. Mr. Chairman, I rise to offer my full endorsement and strong support for enactment today of H.R. 6927, to establish a Department of Housing and Urban Development in the executive branch of the Federal Government.

As the Representative of California's 30th Congressional District in Los Angeles, I have been acutely aware of the need for this legislation for a long time.

The city of Los Angeles has approximately 2.5 million residents at the present time, while the county exceeds 6 million, and both city and county are growing rapidly.

Taking southern California as a unit, experts now predict that it will more than triple in population from 10 million to over 30 million within the next 35 years.

With growth like this, it is vital that we take care of the pressing needs of our metropolitan centers for community public facilities, housing, educational development, mass transportation, recreation, and related necessities of urban life in the latter half of the 20th century.

The problem, of course, is not confined to my own State of California. But in the country at large, whereas more than half our citizens lived on farms or in rural areas at the turn of the century, today some 70 percent live in urban centers. By the year 2000, the Nation's population will have increased by 150 million persons—from 190 million to about 340 million. Of this increase, at least 80 percent will occur in urban and urbanizing areas, adding another 120 million to the present urban population of 133 million.

In my opinion, a widely scattered group of Federal agencies simply cannot deal effectively with such staggering growth of urban areas and massive population shifts.

We urgently need an efficient, unified, and coherent structure to coordinate and administer the many Federal housing and urban development programs, and I hope the Members will join with me in adopting this forward-looking and progressive legislation.

Mr. DANIELS. Mr. Chairman, I rise to support H.R. 6927. My district is one of the most completely urbanized areas in the United States. We in the New York-New Jersey metropolitan area have experienced for many years the problems which come with almost total urbanization.

We who reside in northern New Jersey live in almost the exact center of the unending city stretching from Boston to Norfolk, Va., which some call megalopolis.

In the last few years, having flown regularly over this great sprawling urban colossus, I have seen the last empty spaces between the great cities gradually filled with suburban developments. At night the lights stretch endlessly from National Airport to Boston.

Halfway up the Baltimore-Washington Parkway near Laurel, Md., the cities of Baltimore and Washington have merged in such a way as to form one great unified metropolitan area.

Philadelphia and Wilmington, Del., are growing closer and closer together. And then if you drive up the great New Jersey Turnpike it becomes evident that much of the Garden State is becoming one large bedroom community for Philadelphia on the south and New York City on the north.

We who live in Hudson County are part of the New York metropolitan area which now stretches far beyond the five boroughs up the Hudson River beyond Westchester County into Rockland, Orange, and Putnam Counties, far into Nassau, and Suffolk Counties in Long Island and almost to Hartford, Conn.

The problems which this rapid growth has posed are far beyond the powers of individual cities and towns, far beyond the counties and the growth pattern has also been no respecter of State boundaries. Truly, our urban problems can in no sense be considered local or statewide in nature. We are faced with problems which are national in scope and can in many cases only be solved at the Federal level. This is no longer a debatable proposition. Time and time again we have approved piecemeal fashion programs

intended to solve many of the problems which beset urban America.

What we are seeking today by the passage of H.R. 6927 is not any sweeping extension of Federal powers. No, Mr. Chairman, what we seek is a meaningful policy which commits the U.S. Government to the concept that our various programs to aid urban America will be best handled by a single unified agency.

When the Congress approved the Budget and Accounting Act of 1921 it was not done in order to facilitate massive Federal spending. Rather, it was a mature realization that Federal spending had become massive and that businesslike steps should be taken to insure an orderly fiscal program.

H.R. 6927 represents this same type legislation maturity. We must realize that for the rest of this century and for as long as this Nation exists urban problems are going to be with us. There is no way short of atomic catastrophe that the United States can go back to the essentially smalltime America that many older Members of this House can recall from their youth. Urbanization is a fact of life, and if we are going to pass—in every session of the Congress—dozens of bills which deal with problems having a common cause then we owe the taxpayers the duty of seeing that these programs are carefully administered and coordinated.

There are many who are hostile to the growth of urban America. I cannot argue with their right to this view and perhaps there is some merit to many of their contentions. This is not the issue today, however; we are not debating this question. We are deciding today whether we are to take reasonable steps to solve a problem which we know exists or whether we are to assume an ostrichlike stance with our heads in the sand hoping that if we do not notice the problems they will just go away.

Our urban problems are not just going to go away. We who are responsible for handling the public's business must insure that our Government operates in a businesslike way. For this reason I urge passage of this bill.

Mr. ROSTENKOWSKI. Mr. Chairman, the bill before us, H.R. 6927, is quite explicit in its purposes from its title, to establish a Department of Housing and Urban Development. It is not a new idea for it was suggested in 1961 by our late President John F. Kennedy when he said in his state of the Union message:

Our cities are being engulfed in squalor—

And then in his message to Congress on March 9, 1961, when he said:

Urban and suburban areas now contain the overwhelming majority of our population, and a preponderance of our industrial, commercial, and educational resources. The new housing and urban programs as well as existing housing and community development programs, deserve the best possible administrative efficiency, stature, and role in the councils of the Federal Government. An awareness of these problems and programs should be constantly brought to the Cabinet table, and coordinated leadership provided for functions related to urban affairs but ap-

propriately performed by a variety of departments and agencies.

President Johnson has reaffirmed these beliefs in requesting the establishment of a new executive department so that urban problems may have representation "at the highest level of Government" and that housing programs as well be in the "front rank of Government."

This bill has been carefully considered by the Committee on Government Operations under the guidance of one of Illinois' most outstanding members, Chairman BILL DAWSON, and their favorable recommendation for passage must not go unheeded. The bill makes a declaration that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work. A finding is announced that these can best be achieved through the establishment of a new Department headed by a Secretary.

When the United States began to develop it was dotted with small towns and villages linking vast areas of scattered population. People were carving the model of a great country out of the wilderness and the needs of the country at the time were greatest in the rural areas. But with development there was a need for centralized areas whereby these people from the wilderness could meet to barter for goods and the necessities of life. As these necessities became greater so did these small towns and villages grow. And with their growth we were faced with new problems of expansion.

We have now reached an era in which the urban communities have become the heart of our land with the rural areas as the arteries which feed the heart. One without the other cannot survive, and yet when the rural communities dominated our country's makeup, its problems did not go unheeded for the Congress of the United States established a Department of Agriculture to administer to these needs. So it was true in the area of business with the establishment of a Commerce Department; in labor-management with a Labor Department; the development of natural resources with an Interior Department. And yet, quoting our great mayor of Chicago, Richard J. Daley, who represented the U.S. conference of mayors before the Committee on Government Operations:

But nobody specifically represents the cities. And yet, the productive capacity—the purchasing power—the backbone of our economy—and the people who pay most of the taxes—live in urban communities.

The problems of urbanization become more complex, more intense with each passing day. So the need for a central point in Federal Government where cities, and I do not mean just the big cities, for this legislation benefits cities who may have a population of only 10,000, can come for help and information.

Congress has not turned a deaf ear to these urban problems, for we have been adopting programs of aid to urban

areas. We have delegated the administration of these programs to the Housing and Home Finance Agency. But there is a need for stronger programs and more effective coordination of existing activities, and only through the establishment of a Cabinet-level unit which can provide the President the maximum assistance for guidance to the efforts of State, county, and municipal governments and private enterprise to improve the Nation's communities, can we rest assured that a maximum effort is being made to solve the Nation's problems in the expanding metropolitan complexes.

As this Nation grows, prospers, and expands, the burdens of decision facing our Chief Executive also expand, and if he is to effectively execute his duties he must rely on his Cabinet for advice in making these decisions. And as he has pointed out, in order to meet Federal responsibilities in assisting urban areas he needs a more effective executive tool; therefore, the establishment of a new Cabinet post is strongly recommended.

A Department of Housing and Urban Development can correlate present existing programs and specialize in resolving the needs in public housing, transportation, public works, urban renewal and planning, and open space and land preservation. It can take its place at the Cabinet table and voice opinion in other programs that indirectly affect the urban populace. As Mr. Robert L. Williams, executive director of the American Institute of Planners, stated:

The establishment of a Department of Housing and Urban Development, if accompanied by appropriate means for stimulating local and metropolitan planning and if accompanied by a recognition of the fact that Federal aids should serve locally established objectives, will serve to strengthen rather than weaken our systems of local government.

This is a most important point to consider when deciding this issue. Congress has demonstrated its wisdom in the past through progressive legislation in strengthening all levels of government. Surely we, in this Congress, wish to continue along this path which can be demonstrated by approving this bill now before us. I urge that we vote to establish a Department of Housing and Urban Development.

Mr. WAGGONER. Mr. Chairman, I have listened attentively for 2 days to this debate on the merits and demerits of creating a Cabinet-level Department of Housing and Urban Development. If this bill does nothing else, it does weaken State and local government, and it does increase dependence on the Federal establishment. It is a further trend toward centralization. And it will in the end cause the expenditure of not just millions but billions of additional dollars which cannot be justified. It is unnecessary, and I am opposed to it.

Mr. COHELAN. Mr. Chairman, in a few short decades we have passed from a rural to an urban way of life. In a few short decades more we shall be a nation of vastly expanded population, living increasingly in urban areas in housing that does not now exist, served by community facilities not yet built, and

moving about by means of urban transportation which in all too many communities are inadequate.

Seventy percent of our population today is urban. In 35 years, 80 percent of a greatly expanded population will be. In the next 40 years we will need to build as many urban homes and related facilities as now exist in all of our cities.

This situation urgently calls for action. It calls for, among other things, a Cabinet-level Department of Housing and Urban Affairs such as this bill provides.

To this Department would be transferred all the housing and urban development functions now in the Housing and Home Finance Agency.

But how and why, we may ask, does this respond to an urgent call for action? The answer is quite simple and direct.

These several programs include an extraordinary range of diverse yet closely interrelated activities. All affect the lives and welfare of families in our cities and suburbs. All impinge in one degree or another on each other. None can or should stand by itself. The Department will bring a maximum degree of coordination and effectiveness to the planning and execution of them all.

The Secretary of the new Department will be in a much better position than the present Housing and Home Finance Administrator to coordinate effectively the programs under his charge. This means that the Secretary can be held more clearly responsible by both the President and by Congress.

The Secretary as a Cabinet officer, and the Department as an executive department, will clearly be in a better position to work out policies, programs, and problems with other related department chiefs and departments, such as Treasury, Commerce, Health, Education, and Welfare, and Interior.

The Secretary, finally, and his Department, will be able to speak out more forcefully and persuasively on the broad range of city interests. He will be able to better stimulate, coordinate, and mobilize the forces to wage effective war on the urban problems of our time.

Some opponents of this measure have suggested that a Department of Housing and Urban Affairs might siphon away from States and municipalities some of their present authority. This simply is not true.

The fact is that the creation of the new Department makes no changes at all in the substantive Federal law affecting housing and urban development. It, of course, makes no changes in State or local laws relating to urban development. It should be pointed out, furthermore, that all Federal programs enacted to date by Congress provide aid to private, State, and local programs which are carried out under State and local law. There would be no change in this arrangement.

Our cities and the people living in them, who after all represent the overwhelming portion of our population, need an adequate voice in the highest councils of Government.

The executive branch and the Congress need an adequate instrument to

assist them in the formulation and execution of policy concerning urban affairs and housing.

States and local governing bodies need an agency at the departmental level to assist them in planning and carrying out their cooperative programs with the Federal Government.

All these needs can best be met through the adoption of this proposal. A scattered array of Federal agencies simply cannot deal effectively with the tremendous growth and staggering problems confronting our urban areas. In the interest of efficiency, economy, and just plain good government, a unified, coordinated structure at the Cabinet level is a necessity, and I urge that this bill be approved today.

Mr. McDOWELL. Mr. Chairman, I rise in support of the bill H.R. 6927, which would establish a new Department of Housing and Urban Development.

It seems to me that the need for this legislation is clear. The Department of Agriculture was created at a time when 70 percent of our population lived on farms or in rural areas. Today the situation is exactly reversed, as President Johnson pointed out in his housing message earlier this year. At that time he said that the housing bills—including the present proposal—he would send to the Congress were predicated on that fact that over 70 percent of our population—135 million Americans—live in urban areas. A half century from now 320 million of our 400 million Americans will live in such areas.

During the next 15 years, 30 million people will be added to our cities, equivalent to the combined population of New York, Chicago, Los Angeles, Philadelphia, Detroit, and Baltimore.

The President's message declared:

Our urban problems are of a scope and magnitude that demand representation at the highest level of Government. * * * These problems are already in the front rank of national concern and interest. They deserve to be in the front rank of Government as well.

The new Department will consist of all the present programs of HHFA. In addition it will be primarily responsible for Federal participation in metropolitan area thinking and planning. This new department will provide a focal point for thought and innovation and imagination about the problems of our cities. It will cooperate with other Federal agencies, including those responsible for programs providing essential education, health, employment, and social services. And it will work to strengthen the constructive relationships between Nation, State, and city—the creative federalism—which is essential to progress. This partnership will demand the leadership of mayors, Governors, and State legislatures.

Let us calmly look at the facts behind the disorders in our great cities today, behind the crime, the riots, the human misery. What do we find? The President has pointed to some of the major core reasons for these, and has said:

We have over 9 million homes, most of them in cities, which are run down or deteriorating; over 4 million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million

acres a year. The old, the poor, the discriminated against are increasingly concentrated in central city ghettos; while others move to the suburbs leaving the central city to battle against immense odds.

Physical decay, from obsolescent schools to polluted water and air, helps breed social decay. It casts a pall of ugliness and despair on the spirits of the people. And this is reflected in rising crime rates, school dropouts, delinquency, and social disorganization.

Millions of families and individuals live in substandard housing because their incomes are too low to permit them to afford adequate private housing. The Housing and Home Finance Agency has pointed out that "our existing housing programs cannot fully cope with the problem," and that there are some 13 million substandard homes in our country today. According to the 1960 census about 7.5 million of the 13 million families or individuals in substandard housing had annual incomes of less than \$3,000. While I am reasonably certain that some slums will exist as long as poverty exists in our own country, I believe that the establishment of a new Department of Housing and Urban Development will provide new and effective tools to deal with slums—which I regard as a basic cause of the disorders in our great cities today.

Although slum housing is a central factor in the problems of our great cities, many of the families contributing to these problems are recent arrivals from our rural areas where much of the worst housing in the Nation exists today. Bad housing breeds bad situations in our cities, towns, and rural areas, and the new Department of Housing and Urban Development which H.R. 6927 would establish will enable us to deal with the problems which are, by all accounts, growing worse month by month and day by day.

The spectacular success of our national homebuilding industry to provide homeownership to millions of our citizens is one in which we can all take pride. We have failed, however, to solve the problem of providing homes within the reach of the poorer families. Public housing has failed to meet this need; new tools must be forged, tested, and perfected, so that in our time and for the future we, as a nation, can house all of our people in safe, sanitary, decent housing.

President Johnson has pointed out that it is possible to improve, rebuild, and rehabilitate existing homes with less cost and less human dislocation, and thus to meet our housing objectives without tearing people away from their familiar neighborhoods and friends, by encouraging property owners to improve and rehabilitate their own property so they do not have to move from the path of the bulldozers.

These are the directions in which the new Department of Housing and Urban Development should move, and I am pleased to say that in Wilmington, Del., a rehabilitation project along these lines is now under consideration.

Such a new Department should move forthrightly to solve the housing prob-

lems of our rural slums, and I would say that some of the rural slum housing in Delaware is quite as bad as it is in adjoining States and, in fact, is as bad as the housing in some of the rural areas in other nations which I have visited as a member of the House Foreign Affairs Committee.

The new housing bill recently reported by the House Banking and Currency Committee, provides many new tools and funds for this task, and the Department of Housing and Urban Development should thereby be enabled to make a major contribution to decent, safe, and sanitary housing for our urban and rural slum dwellers. I am very pleased that several of the provisions which I sponsored in my own housing bill have been included in the bill reported by the Banking and Currency Committee.

Mr. WELTNER. Mr. Chairman, the Housing and Home Finance Agency, under the excellent direction of its very capable Administrator, Robert C. Weaver, has made unquestioned progress in alleviating the problems of urban people. Programs of slum clearance, urban renewal, rehabilitation, open space, public housing, and others have been implemented with efficiency and imagination.

Even so, there exists a vast area of uncoordinated Federal programs dealing with housing and urban development. Among the most notable are activities concerning farmers' home loans, veterans housing, water and air pollution, waste disposal, aviation, and expressways. Obviously, the Congress should address itself to an honest and sensible reorganization of these many functions. We should provide direction and cohesion through a Cabinet level department.

This is what we need, Mr. Chairman. But this bill, H.R. 6297, nowhere approaches that need. Indeed, try as I might, I find within its pages little more than a change of name. There is no increased responsibility. There is no increased authority.

With its passage, our urban-directed programs remain as they were—uncoordinated, inefficient, and inadequate. For this reason I find it most difficult to support this bill. Rather than a mere change of name, let us develop a department with adequate power and unquestioned responsibility.

Mr. O'HARA of Illinois. Mr. Chairman, it seems to me fitting that the bill to establish a Department of Housing and Urban Development comes from the committee chaired by the distinguished gentleman from Illinois [Mr. Dawson].

For many years Chairman Dawson has been a vibrant factor in the life of Chicago in the period of its greatest growth and expansion. His contribution to the city of his adoption and his home during most of his adult years has been large.

No one understands the American city, the problems and the needs and the frustrations as well as the hopes of its people, better than Chairman Dawson. The enactment of the bill that has come to us from the committee of which he is chairman will climax his fight of

many, many years to give to urban America the dignity of Cabinet status.

Mr. Chairman, we are making real progress in eliminating blight and slums from our cities. The day is not yet here when over every family will be a decent roof, and within the reach of every family playgrounds and the environment of comfortable and meaningful living, but that day is not far off. The progress in Chicago and in other large American cities has been large and it has been heartening.

It is as plain to envision as the hand held before the eyes that urban progress will be hastened mightily by the giving to us who live in cities the dignity and the availability to first sources that are inseparable from Cabinet representation. I am at a loss to understand why any American, no matter where he lives, should be in opposition to this bill. If the cities should fall into ruins, where, may I ask, would the farmer find his market, and the Nation the partner of its strength? I strongly urge a vote for this good bill.

From Edwin C. Berry, executive director of the Chicago Urban League, I have just received this telegram:

Representative BARRATT O'HARA,
House Office Building,
Washington, D.C.:

I wish to indicate my wholehearted support for the necessity of a Cabinet-level position dealing with housing and urban affairs. Those of us, whose professional activities center around the massive problems in our city, know that it is past time for the Federal Government to recognize that we are an urban and not a rural nation, and that the health of our cities is synonymous with the health of our country.

Mr. PEPPER. Mr. Chairman, it has been my privilege to participate over many years in a number of significant developments in the structure of our Federal Government. These structural changes have been designed to reflect the great changes and advances that occur in the life of a dynamic country and a complex, progressive society. But few have given me greater satisfaction than the House's approval today of a new Cabinet Department of Housing and Urban Development.

By this action we have recognized the great shift in the life of our people from rural, largely farm areas to our great urban and suburban centers. In my State of Florida in my lifetime there has been a dramatic reversal of the urban-rural composition of the State's population. When I first came to the State, from the great State of Alabama, Florida was largely rural in character. But today nearly 8 out of every 10 residents of the great and growing State of Florida live in urban areas, and it is my privilege to share the representation of the State's largest population center with the very able chairman of the Subcommittee on Government Organization which brought this bill before us.

I particularly want to commend my distinguished colleague from the Fourth District of Florida, the Honorable DANTE FASCELL, for his authorship and sponsorship of this historic measure. His ef-

forts in behalf of the creation of this new Department of Housing and Urban Development will be remembered gratefully by the residents of our area and by metropolitan and urban dwellers throughout this great land.

Mr. CLEVELAND. Mr. Chairman, today we are once more presented with a proposal to create a Department of Housing and Urban Development, a plan which was defeated by the last Congress. This bill, H.R. 6927, also should be defeated.

I speak as one who is well aware of the special problems of the cities. We are becoming increasingly an urban society and 70 percent or more of our population lives in or near large cities. Vast Federal programs and numerous agencies already exist for dealing with urban problems. These include: the Housing and Home Finance Agency, the Community Facilities Administration, Office of Transportation, the Public Housing Administration, the Urban Renewal Administration, the Federal National Mortgage Association, and the Federal Housing Administration, all of which would come under the new Department. Numerous other agencies affecting urban matters would be left out of this legislation. Among these are operations conducted by the Department of Agriculture, the Commerce Department, the Bureau of Public Roads, the Community Relations Service, the Department of the Army, the Department of Health, Education, and Welfare, the Department of the Interior, the Department of Labor, the Federal Aviation Agency, and the Office of Economic Opportunity.

CLEVELAND BILL WOULD DO BETTER JOB

There is no doubt that coordination of these programs is needed. For that reason I joined earlier this year with a number of my colleagues in sponsoring legislation—H.R. 6206—which would establish an Office of Community Development in the Executive Office of the President. This is a more comprehensive, less bureaucratic, and far less expensive approach. It would provide State and local officials and other concerned citizens with a central place in Washington to bring problems requiring Federal attention. It would save them from having to trek all over town to numerous different agencies seeking to penetrate layers of Federal officials with overlapping responsibilities.

This essential achievement will not be accomplished by the creation of a new Department of Housing and Urban Development.

There is no special magic in Cabinet status. There is no reason to believe, on the basis of past experience, that all these problems will fall into place once they have been elevated to Cabinet rank. The existence of a Department of Agriculture cannot be said to have solved the farm problem. There are some who say that it has actually created much of the problem.

The administration says this would draw under one roof all the many diverse agencies dealing with Housing and Urban Affairs. As I pointed out above, this bill would not do that. Numerous

agencies would be left out. The administration further argues the importance of giving status of Cabinet rank to the official in charge. Status is a wonderful thing and much sought after but, as we see in the Department of Agriculture, it provides no solution. It is true that the head of this new office would be able to sit a few places higher at official dinner parties than he now does but it is not easy to see what this has to do with housing and urban affairs.

NEW DEPARTMENT WOULD BE EXPENSIVE

The administration further says that this new Department would not add to the payroll but would merely bring together existing agencies. The same was said of the Department of Health, Education, and Welfare. The fact is that HEW's payroll has gone from 36,613 in 1953, when it was created, to 83,928 in March of this year. Its budget has risen from an initial \$1,987,000,000 to \$6,985,700,000 in the current year, with another billion to be added next year.

Our Republican bill goes to the heart of the matter. It would be truly inclusive, it would be much more efficient, and it would have the status of the White House itself. It would be more responsive to the problems of Housing and Urban Affairs. It would also not have the built-in tendency to grow that we have seen in other departments.

Mr. Chairman, we need to get a job done not merely to add the tinsel of exalted rank to another Federal bureaucracy. Let us defeat this proposal as we did once before and adopt the Republican alternative in its place.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Boggs, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, pursuant to House Resolution 419 he reported the bill back to the House with amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mrs. DWYER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. DWYER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. DWYER moves to recommit the bill (H.R. 6927) to the Committee on Government Operations with instructions to report the same to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the text of the bill (H.R. 8822), as follows:

"ESTABLISHMENT OF OFFICE OF URBAN AFFAIRS AND COMMUNITY DEVELOPMENT"

"SECTION 1. There is hereby established in the Executive Office of the President an office to be known as the Office of Urban Affairs and Community Development (hereinafter referred to as the 'Office'). There shall be in the Office a Director and a Deputy Director to be appointed by the President. The Deputy Director shall perform such duties as the Director may designate, and during the absence or incapacity of the Director or during a vacancy in the office of the Director he shall act as Director. The Director shall receive compensation at the rate of \$30,000 per annum, and the Deputy Director shall receive compensation at the rate of \$27,000 per annum.

"PERSONNEL AND POWERS OF THE OFFICE"

"SEC. 2. (a) The Director, with the approval of the President, may appoint in accordance with the civil service laws and the Classification Act of 1949 such additional personnel as he determines to be necessary to carry out the functions of the Office.

"(b) In the performance of the functions of the Office, the Director is authorized—

"(1) to procure by contract services as provided by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55a), at rates of compensation not exceeding \$100 per diem for the personal services of individuals;

"(2) to appoint such advisory committees as he may determine to be necessary for the effective performance of the functions of the Office;

"(3) to designate such representatives as he may determine to be necessary or desirable to maintain effective liaison with executive departments and agencies, and departments, agencies, and instrumentalities of the States, which are engaged in activities related to the functions of the Office; and

"(4) to use the services, personnel, and facilities of executive departments and agencies and those of State departments, agencies, and instrumentalities, with the consent of such departments, agencies, and instrumentalities, with or without reimbursement therefor.

"(c) Upon the request of the Director, each executive department and agency shall furnish to the Office such information, suggestions, estimates, and statistics as the Director may determine to be necessary or desirable for the performance of the functions of the Office.

"(d) Subject to the approval of the President, the Director may—

"(1) promulgate such rules and regulations as may be required to carry out the functions of the Office; and

"(2) delegate to any other officer or employee of the Office authority for the performance of any duty imposed, or the exercise of any power conferred, upon the Director by this Act.

"COORDINATION OF FUNCTIONS"

"SEC. 3. (a) Subject to the direction of the President, the Director shall take such action as may be appropriate to coordinate the programs of the various departments and agencies of the executive branch which have a major impact upon the Nation's urban areas. Such programs shall include Federal activities relating to housing, urban development and redevelopment, community facilities, highways and transportation facilities, civil defense, water and air pollution, and such other activities as the Director, with the approval of the President, determines relate primarily to urban needs and problems.

"(b) In carrying out his functions under this Act, the Director shall (1) establish and maintain close liaison with the departments and agencies referred to in subsection (a) and (2) consult with State and local officials, and with interested business, labor, and oth-

er groups, concerning urban problems and needs.

"INFORMATION ON URBAN AFFAIRS AND COMMUNITY DEVELOPMENT"

"SEC. 4. The Director shall establish within the Office a Division of Information on Urban Affairs and Community Development. Through this Division the Director shall compile and make available to State and local officials, and other interested persons, through such means as he determines to be appropriate, information concerning the Federal programs referred to in section 3. The service provided by such Division shall include assistance to State and local officials in relating such programs to specific urban problems or needs.

"RESEARCH AND STUDIES"

"SEC. 5. The Director shall undertake research and studies with a view of determining what changes should be made (1) in the programs referred to in section 3 in order to achieve a more effective coordination of such programs with State and local programs designed to meet urban needs, (2) in the allocation of such programs among the various departments and agencies of the executive branch, and (3) in the administration of such programs in order to achieve increased economy and efficiency, to avoid duplication, and to coordinate more effectively the activities of such departments and agencies in the administration of such programs. The results of such research and studies shall be reported from time to time to the President for such action as he determines to be appropriate.

"FEDERAL URBAN AFFAIRS AND COMMUNITY DEVELOPMENT COUNCIL"

"SEC. 6. There shall be in the Office an advisory council, known as the Urban Affairs and Community Development Council. Members of the Council shall be appointed by the President upon nomination by the Director from among persons with broad experience and interest in urban and related problems, and may include persons outside the Federal service. The following Federal officials are hereby designated as members ex officio of the Council: the Secretary of Labor, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Treasury, the Housing and Home Finance Administrator, and the Administrator of Veterans' Affairs. The President may designate other Federal officials as ex officio members of the Council. Members of the Council shall receive no compensation for their services, but shall be reimbursed for necessary travel and subsistence expenses as provided in the Travel Expense Act of 1949, as amended. The Council shall meet at the call of the Director, but not less than twice a year. The Council shall be concerned with all the urban problems mentioned in this Act, including air and water pollution, transportation, sewage, water supply, and urban renewal.

"COMMISSION TO STUDY TRANSFERS OF FUNCTION AND INTEGRATION OF ACTIVITIES"

"SEC. 7. (a) (1) There is hereby established a special commission (referred to in this section as the "Commission") to study the feasibility of making transfers to and from the several departments and agencies mentioned in section 6 of this Act. The Commission shall consist of twelve members appointed by the President from among individuals in private life having substantial knowledge of and experience in housing, urban affairs, mortgage financing, and related fields.

"(2) The Commission may employ and pay the compensation of such staff as may be necessary to the performance of its functions.

"(3) Members of the Commission shall be compensated at the rate of \$50 a day while actually engaged in the business of the Com-

mission, and shall be paid travel expenses and per diem in lieu of subsistence in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 relating to persons serving without compensation.

"(b) The Commission shall conduct a thorough study and investigation of all functions relating to housing and urban affairs which on the date of the enactment of this Act are being performed by departments, agencies, and instrumentalities of the Federal Government, giving particular attention to (1) the distribution of such functions throughout the Government and the effectiveness with which they are being carried out by the departments, agencies, and instrumentalities in which they are respectively vested, and (2) the extent to which further coordination in the performance of such functions, with respect to each other, would serve to increase the overall efficiency and effectiveness of the programs of the United States in the field of housing and urban affairs. Upon the completion of its study and investigation, and in no event later than June 30, 1966, the Commission shall submit a full report thereon to the President together with its findings and recommendations.

"(c) The President, after receiving and considering the report of the Commission under subsection (b), shall prepare and submit to the Congress a reorganization plan (or plans) providing for the transfer to or from the Housing and Home Finance Agency, and other departments, agencies, and instrumentalities of the Government, of such additional functions relating to housing and urban affairs as he may deem necessary or appropriate to promote efficiency.

"REPORT TO CONGRESS"

"SEC. 8. Not later than January 31 of each year, the Director shall submit to the President for transmittal to the Congress a report concerning the activities of the Office during the preceding calendar year."

Mr. FASCELL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. ERLNBORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 141, nays 259, not voting 34, as follows:

[Roll No. 141]

YEAS—141

Abbitt	Clancy	Goodell
Adair	Clawson, Del.	Griffin
Anderson, Ill.	Cleveland	Gross
Andrews,	Collier	Grover
Glenn	Colmer	Gubser
Andrews,	Conable	Gurney
N. Dak.	Conte	Haley
Arends	Corbett	Hall
Ashbrook	Cramer	Halleck
Ashmore	Cunningham	Hansen, Idaho
Baldwin	Curtin	Harsha
Bates	Curtis	Harvey, Mich.
Battin	Dague	Horton
Belcher	Davis, Ga.	Hosmer
Bell	Davis, Wis.	Hutchinson
Berry	Derwinski	Johnson, Pa.
Betts	Devine	Jonas
Bolton	Dickinson	King, N.Y.
Brock	Dole	Kunkel
Broomfield	Dorn	Laird
Broyhill, N.C.	Duncan, Tenn.	Langen
Broyhill, Va.	Dwyer	Latta
Buchanan	Edwards, Ala.	Lennon
Burton, Utah	Ellsworth	Lipscomb
Byrnes, Wis.	Erlenborn	Long, La.
Cabell	Fino	McClory
Cahill	Ford, Gerald R.	McCulloch
Callaway	Frelinghuysen	McDade
Carter	Fulton, Pa.	McMillan
Cederberg	Gettys	MacGregor
		Mailliard
		Marsh
		Martin, Nebr.
		Mathias
		May
		Michel
		Minshall
		Mize
		Moore
		Morse
		Morton
		Mosher
		Nelsen
		O'Neal, Ga.
		Pelly
		Poff
		Pool
		Quie
		Quillen
		Reid, Ill.
		Relfe
		Reinecke
		Rhodes, Ariz.
		Robison
		Rumsfeld
		Satterfield
		Saylor
		Schneebeli
		Schweiker
		Shriver
		Skubitz
		Smith, Calif.
		Smith, N.Y.
		Smith, Va.
		Springer
		Stafford
		Stanton
		Talcott
		Teague, Calif.
		Thomson, Wis.
		Tuck
		Tupper
		Walker, Miss.
		Watkins
		Watson
		Whalley
		Whitten
		Widnall
		Williams
		Wilson, Bob
		Wyatt
		Wydler
		Younger

NAYS—259

Adams	Gonzalez	Nedzi
Addabbo	Grabowski	Nix
Albert	Gray	O'Brien
Anderson,	Green, Oreg.	O'Hara, Ill.
Tenn.	Green, Pa.	O'Hara, Mich.
Andrews,	Greigg	O'Konski
George W.	Grider	Olsen, Mont.
Annunzio	Griffiths	Olson, Minn.
Ashley	Hagen, Calif.	O'Neill, Mass.
Aspinall	Halpern	Ottinger
Bandstra	Hamilton	Passman
Baring	Hanley	Patman
Barrett	Hanna	Patten
Beckworth	Hansen, Iowa	Pepper
Bennett	Hansen, Wash.	Perkins
Bingham	Hardy	Philbin
Blatnik	Harris	Pickle
Boggs	Hathaway	Poage
Boland	Hawkins	Powell
Bolling	Hays	Price
Brademas	Hechler	Pucinski
Brooks	Helstoski	Purcell
Brown, Calif.	Henderson	Race
Burke	Herlong	Randall
Burleson	Hicks	Redlin
Burton, Calif.	Hollifield	Reid, N.Y.
Byrne, Pa.	Holland	Resnick
Callan	Howard	Reuss
Carey	Hull	Rhodes, Pa.
Casey	Hungate	Roberts
Celler	Huot	Rodino
Chelf	Irwin	Rogers, Colo.
Clark	Jacobs	Rogers, Fla.
Clevenger	Jarman	Rogers, Tex.
Cohelan	Jennings	Ronan
Conyers	Joelson	Roncalio
Cooley	Johnson, Calif.	Rooney, N.Y.
Craley	Johnson, Okla.	Rooney, Pa.
Culver	Jones, Ala.	Roosevelt
Daddario	Jones, Mo.	Rosenthal
Daniels	Karsten	Rostenkowski
Dawson	Karth	Roudebush
de la Garza	Kastenmeier	Roush
Delaney	Kelly	Roybal
Dent	Keogh	Ryan
Denton	King, Calif.	St Germain
Diggs	King, Utah	St. Onge
Dingell	Kirwan	Scheuer
Donohue	Kluczynski	Schlisler
Dow	Kornegay	Schmidhauser
Dowdy	Krebs	Scott
Downing	Landrum	Secrest
Dulski	Leggett	Selden
Duncan, Oreg.	Lindsay	Senner
Dyal	Long, Md.	Shipley
Edmondson	Love	Sickles
Edwards, Calif.	McCarthy	Sikes
Evans, Colo.	McDowell	Sisk
Everett	McFall	Slack
Evins, Tenn.	McGrath	Smith, Iowa
Fallon	McVicker	Stalbaum
Farbstein	Machen	Steed
Farnsley	Mackay	Stephens
Farnum	Mackie	Stratton
Fascell	Madden	Stubblefield
Feighan	Mahon	Sullivan
Flood	Matthews	Sweeney
Flynt	Meeds	Taylor
Fogarty	Miller	Tenzer
Foley	Mills	Thompson, La.
Ford,	Minish	Thompson, N.J.
William D.	Mink	Thompson, Tex.
Fountain	Moeller	Todd
Fraser	Monagan	Trimble
Friedel	Moorhead	Tunney
Fulton, Tenn.	Morgan	Tuten
Fuqua	Morris	Udall
Gallagher	Morrison	Ullman
Garmatz	Moss	Van Deerlin
Gathings	Multer	Vanik
Gialmo	Murphy, Ill.	Vigorito
Gibbons	Murphy, N.Y.	Vivian
Gilbert	Murray	Waggonner
Gilligan	Natcher	Walker, N. Mex.

Watts
Weltner
White, Idaho
White, Tex.

Whitener
Willis
Wolff
Wright

Yates
Young

NOT VOTING—34

Abernethy
Ayres
Bonner
Bow
Bray
Brown, Ohio
Cameron
Chamberlain
Clausen,
Don H.
Corman
Findley

Fisher
Hagan, Ga.
Harvey, Ind.
Hébert
Ichord
Kee
Keith
McEwen
Macdonald
Martin, Ala.
Martin, Mass.
Matsunaga

Pike
Pirnie
Rivers, Alaska
Rivers, S.C.
Staggers
Teague, Tex.
Thomas
Toll
Utt
Wilson,
Charles H.
Zablocki

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Toll against.
Mr. Hagan of Georgia for, with Mr. Zablocki against.
Mr. Fisher for, with Mr. Corman against.
Mr. Brown of Ohio for, with Mr. Charles H. Wilson against.
Mr. McEwen for, with Mr. Rivers of Alaska against.
Mr. Abernethy for, with Mr. Macdonald against.
Mr. Bow for, with Mr. Kee against.
Mr. Findley for, with Mr. Cameron against.
Mr. Bray for, with Mr. Pike against.
Mr. Utt for, with Mr. Matsunaga against.
Mr. Don H. Clausen for, with Mr. Thomas against.
Mr. Keith for, with Mr. Rivers of South Carolina against.

Until further notice:

Mr. Teague of Texas with Mr. Ayres.
Mr. Bonner with Mr. Chamberlain.
Mr. Ichord with Mr. Martin of Alabama.

Mr. COLLIER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 217, nays 184, not voting 33, as follows:

[Roll No. 142]

YEAS—217

Adams	Daddario	Fulton, Tenn.
Addabbo	Daniels	Gallagher
Albert	Dawson	Garmatz
Anderson,	Delaney	Gialmo
Tenn.	Dent	Gibbons
Annunzio	Denton	Gilbert
Ashley	Diggs	Gilligan
Aspinall	Dingell	Gonzalez
Bandstra	Donohue	Grabowski
Barrett	Dow	Gray
Beckworth	Downing	Green, Oreg.
Bingham	Dulski	Green, Pa.
Blatnik	Duncan, Oreg.	Greigg
Boggs	Dyal	Grider
Boland	Edmondson	Griffiths
Bolling	Edwards, Calif.	Hagen, Calif.
Brademas	Evans, Colo.	Halpern
Brooks	Everett	Hamilton
Brown, Calif.	Evins, Tenn.	Hanley
Burke	Fallon	Hanna
Burton, Calif.	Farbsteln	Hansen, Iowa
Byrne, Pa.	Farnsley	Hansen, Wash.
Cahill	Farnum	Hardy
Callan	Fascell	Hathaway
Carey	Feighan	Hawkins
Celler	Fino	Hays
Chelf	Flood	Hechler
Clark	Fogarty	Helstoski
Clevenger	Foley	Hicks
Cohelan	Ford,	Hollifield
Conyers	William D.	Holland
Craley	Fraser	Horton
Culver	Friedel	Howard

Hungate
Huot
Irwin
Jacobs
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Krebs
Leggett
Lindsay
Long, Md.
Love
McCarthy
McDowell
McFall
McGrath
Machen
Mackie
Madden
Meeds
Miller
Mills
Minish
Mink
Minshall
Monagan
Moorhead
Morgan

Abbitt
Adair
Anderson, Ill.
Andrews,
George W.
Andrews,
Glenn
Andrews,
N. Dak.
Arcnds
Ashbrook
Ashmore
Baldwin
Baring
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bolton
Brock
Broomfield
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson
Burton, Utah
Byrnes, Wis.
Cabell
Callaway
Carter
Casey
Cederberg
Clancy
Clawson, Del.
Cleveland
Collier
Colmer
Conable
Conte
Cooley
Corbett
Cramer
Cunningham
Curtin
Curtis
Dague
Davis, Ga.
Davis, Wis.
de la Garza
Derwinski
Devine
Dickinson
Dole
Dorn
Dowdy
Duncan, Tenn.
Dwyer
Edwards, Ala.
Ellsworth
Erlenborn

Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Ottinger
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Powell
Price
Pucinski
Purcell
Race
Redlin
Reid, N.Y.
Resnick
Reuss
Rhodes, Pa.
Rodino
Rogers, Colo.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal

NAYS—184

Flynt
Ford, Gerald R.
Fountain
Frelinghuysen
Fulton, Pa.
Fuqua
Gathings
Gettys
Goodell
Griffin
Gross
Grover
Gubser
Gurney
Haley
Hall
Halleck
Hansen, Idaho
Harris
Harsha
Harvey, Mich.
Henderson
Herlong
Hosmer
Hull
Hutchinson
Johnson, Pa.
Jonas
King, N.Y.
King, Utah
Kornegay
Kunkel
Laird
Landrum
Langen
Latta
Lennon
Lipscomb
Long, La.
McClory
McCulloch
McDade
McMillan
McVicker
MacGregor
Mackay
Mahon
Mailliard
Marsh
Martin, Nebr.
Mathias
Matthews
May
Michel
Mize
Moeller
Moore
Morris
Morse
Morton
Mosher
Murray
Nelsen

Rostenkowski
Roush
Roybal
Ryan
St Germain
St. Onge
Schisler
Schmidhauser
Senner
Sickles
Sisk
Smith, Iowa
Stalbaum
Steed
Stratton
Stubblefield
Sullivan
Sweeney
Tenzer
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Todd
Trimble
Tunney
Tupper
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Walker, N. Mex.
Watts
White, Idaho
White, Tex.
Willis
Wolff
Yates
Young

NOT VOTING—33

Abernethy	Fisher	Pike
Ayres	Hagan, Ga.	Pirnie
Bonner	Harvey, Ind.	Rivers, Alaska
Bow	Hébert	Scheuer
Bray	Ichord	Staggers
Brown, Ohio	Kee	Thomas
Cameron	Keith	Toll
Chamberlain	McEwen	Utt
Clausen,	Macdonald	Wilson,
Don H.	Martin, Ala.	Charles H.
Corman	Martin, Mass.	Zablocki
Findley	Matsunaga	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Zablocki for, with Mr. Hébert against.
Mr. Toll for, with Mr. Abernethy against.
Mr. Corman for, with Mr. Hagan of Georgia against.
Mr. Charles H. Wilson for, with Mr. Brown of Ohio against.
Mr. Rivers of Alaska for, with Mr. Findley against.
Mr. Macdonald for, with Mr. McEwen against.
Mr. Martin of Massachusetts for, with Mr. Fisher against.
Mr. Thomas for, with Mr. Keith against.
Mr. Pike for, with Mr. Martin of Alabama against.
Mr. Kee for, with Mr. Bray against.
Mr. Cameron for, with Mr. Utt against.
Mr. Matsunaga for, with Mr. Don H. Clausen against.

Until further notice:

Mr. Bonner with Mr. Ayres.
Mr. Ichord with Mr. Harvey of Indiana.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXCISE TAX REDUCTION ACT OF 1965

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 8371, an act to reduce excise taxes, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

The Chair hears none, and appoints the following conferees: Messrs. MILLS, KING of California, BOGGS, KEOGH, BYRNES of Wisconsin, CURTIS, and UTT.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House on the bill H.R. 8371 have until midnight tonight to file a conference report.

H. R. 6927

AN ACT

TO

TO

AN ACT

TO

1

2

3

4

89TH CONGRESS
1ST SESSION

H. R. 6927

IN THE SENATE OF THE UNITED STATES

JUNE 17, 1965

Read twice and referred to the Committee on Government Operations

AN ACT

To establish a Department of Housing and Urban Development, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Housing
4 and Urban Development Act".

5 DECLARATION OF PURPOSE

6 SEC. 2. The Congress hereby declares that the general
7 welfare and security of the Nation and the health and living
8 standards of our people require, as a matter of national
9 purpose, sound development of the Nation's urban communi-
10 ties and metropolitan areas in which the vast majority of its
11 people live and work.

1 To carry out such purpose, and in recognition of the
2 increasing importance of housing and urban development in
3 our national life, the Congress finds that establishment of an
4 executive department is desirable to achieve the best adminis-
5 tration of the principal programs of the Federal Government
6 which provide assistance for housing and for the development
7 of the Nation's communities; to assist the President in achiev-
8 ing maximum coordination of the various Federal activities
9 which have a major effect upon urban, suburban, or metro-
10 politan development; to encourage the solution of problems
11 of housing and urban development through State, county,
12 town, village, or other local and private action, including
13 promotion of interstate, regional, and metropolitan coopera-
14 tion; and to provide for full and appropriate consideration,
15 at the national level, of the needs and interests of the Nation's
16 communities and of the people who live and work in them.

17 ESTABLISHMENT OF DEPARTMENT

18 SEC. 3. (a) There is hereby established at the seat of
19 government an executive department to be known as the
20 Department of Housing and Urban Development (herein-
21 after referred to as the "Department"). There shall be at
22 the head of the Department a Secretary of Housing and
23 Urban Development (hereinafter referred to as the "Secre-
24 tary"), who shall be appointed by the President, by and
25 with the advice and consent of the Senate. The Department

1 shall be administered under the supervision and direction
2 of the Secretary. The Secretary shall receive compensation
3 at the rate now or hereafter prescribed by law for the heads
4 of executive departments.

5 (b) The Secretary shall, among his responsibilities,
6 advise the President with respect to Federal programs and
7 activities relating to housing and urban development; de-
8 velop and recommend to the President policies for fostering
9 the orderly growth and development of the Nation's urban
10 areas; exercise leadership at the direction of the President in
11 coordinating Federal activities affecting housing and urban
12 development; provide technical assistance and information,
13 including a clearinghouse service to aid State, county, town,
14 village, or other local governments in developing solutions
15 to urban and metropolitan development problems; encourage
16 comprehensive planning by the State and local governments
17 with a view to coordinating Federal, State, and local urban
18 development activities, and conduct continuing comprehen-
19 sive studies, and make available findings, with respect to the
20 problems of housing and urban development.

21 (c) Nothing in this Act shall be construed to deny or
22 limit the benefits of any program, function, or activity as-
23 signed to the Department by this or any other Act to any
24 community on the basis of its population or corporate status,
25 except as may be expressly provided by law.

1 UNDER SECRETARY AND OTHER OFFICERS

2 SEC. 4. (a) There shall be in the Department an Under
3 Secretary, four Assistant Secretaries, and a General Counsel,
4 who shall be appointed by the President by and with the
5 advice and consent of the Senate, who shall receive com-
6 pensation at the rate now or hereafter provided by law for
7 under secretaries, assistant secretaries, and general counsels,
8 respectively, of executive departments, and who shall per-
9 form such functions, powers, and duties as the Secretary
10 shall prescribe from time to time. One of the Assistant
11 Secretaries shall be designated to administer, under the super-
12 vision and direction of the Secretary, departmental programs
13 relating to the private mortgage market.

14 (b) There shall be in the Department an Assistant
15 Secretary for Administration, who shall be appointed, with
16 the approval of the President, by the Secretary under the
17 classified civil service, who shall perform such functions,
18 powers, and duties as the Secretary shall prescribe from time
19 to time, and whose annual rate of compensation shall be the
20 same as that now or hereafter provided by or pursuant to
21 law for Assistant Secretaries for administration of executive
22 departments.

23 TRANSFERS TO DEPARTMENT

24 SEC. 5. (a) Except as otherwise provided in subsection
25 (b) of this section, there are hereby transferred to and vested

1 in the Secretary all of the functions, powers, and duties of the
2 Housing and Home Finance Agency, of the Federal Housing
3 Administration and the Public Housing Administration in
4 that Agency, and of the heads and other officers and offices
5 of said agencies.

6 (b) The Federal National Mortgage Association, to-
7 gether with its functions, powers, and duties, is hereby trans-
8 ferred to the Department. The next to the last sentence
9 of section 308 of the Federal National Mortgage Associa-
10 tion Charter Act and the item numbered (94) of section
11 303 (e) of the Federal Executive Salary Act of 1964 are
12 hereby repealed, and the position of the President of said
13 Association is hereby allocated among the positions referred
14 to in section 7 (c) hereof.

15 CONFORMING AMENDMENTS

16 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United
17 States Code is hereby amended by striking out the period at
18 the end thereof and inserting a comma and the following:
19 "Secretary of Health, Education, and Welfare, Secretary of
20 Housing and Urban Development."

21 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
22 is amended by adding at the end thereof:

23 "Eleventh. The Department of Housing and Urban
24 Development."

1 (c) The amendment made by subsection (b) of this
2 section shall not be construed to make applicable to the
3 Department any provision of law inconsistent with this Act.

4 ADMINISTRATIVE PROVISIONS

5 SEC. 7. (a) The personnel employed in connection
6 with, and the assets, liabilities, contracts, property, records,
7 and unexpended balances of appropriations, authorizations,
8 allocations, or other funds held, used, arising from, or avail-
9 able or to be made available in connection with, the func-
10 tions, powers, and duties transferred by section 5 of this
11 Act are hereby transferred with such functions, powers, and
12 duties, respectively.

13 (b) No transfer of functions, powers, and duties shall at
14 any time be made within the Department in connection with
15 the secondary market operations of the Federal National
16 Mortgage Association unless the Secretary finds that the
17 rights and interests of owners of outstanding common stock
18 issued under the Federal National Mortgage Association
19 Charter Act will not be adversely affected thereby.

20 (c) The Secretary is authorized, subject to the civil
21 service and classification laws, to select, appoint, employ, and
22 fix the compensation of such officers and employees, in-
23 cluding attorneys, as shall be necessary to carry out the pro-
24 visions of this Act and to prescribe their authority and
25 duties: *Provided*, That any other provision of law to the

1 contrary notwithstanding, the Secretary may fix the com-
2 pensation for not more than six positions in the Department
3 at the annual rate applicable to positions in level V of the
4 Federal Executive Salary Schedule provided by the Federal
5 Executive Salary Act of 1964.

6 (d) The Secretary may delegate any of his functions,
7 powers, and duties to such officers and employees of the
8 Department as he may designate, may authorize such suc-
9 cessive redelegations of such functions, powers, and duties
10 as he may deem desirable, and may make such rules and
11 regulations as may be necessary to carry out his functions,
12 powers, and duties. The second proviso of section 101 (c)
13 of the Housing Act of 1949 is hereby repealed.

14 (e) The Secretary may obtain services as authorized
15 by section 15 of the Act of August 2, 1946, at rates not to
16 exceed \$100 per diem for individuals.

17 (f) The Secretary is authorized to establish a working
18 capital fund, to be available without fiscal year limitation, for
19 expenses necessary for the maintenance and operation of
20 such common administrative services as he shall find to be
21 desirable in the interest of economy and efficiency in the
22 Department, including such services as a central supply
23 service for stationery and other supplies and equipment for
24 which adequate stocks may be maintained to meet in whole
25 or in part the requirements of the Department and its agen-

1 cies; central messenger, mail, telephone, and other communi-
2 cations services; office space; central services for document
3 reproduction and for graphics and visual aids; and a central
4 library service. In addition to amounts appropriated to
5 provide capital for said funds, which appropriations are
6 hereby authorized, the fund shall be capitalized by transfer to
7 it of such stocks of supplies and equipment on hand or on
8 order as the Secretary shall direct. Such fund shall be
9 reimbursed from available funds of agencies and offices in
10 the Department for which services are performed at rates
11 which will return in full all expenses of operation, including
12 reserves for accrued annual leave and for depreciation of
13 equipment.

14 (g) The Secretary shall cause a seal of office to be made
15 for the Department of such device as he shall approve, and
16 judicial notice shall be taken of such seal.

17 ANNUAL REPORT

18 SEC. 8. The Secretary shall, as soon as practicable after
19 the end of each calendar year, make a report to the Presi-
20 dent for submission to the Congress on the activities of the
21 Department during the preceding calendar year.

22 SAVINGS PROVISIONS

23 SEC. 9. (a) No cause of action by or against any agency
24 whose functions are transferred by this Act, or by or against
25 any officer of any such agency in his official capacity, shall

1 abate by reason of this enactment. Such causes of action
2 may be asserted by or against the United States or such
3 official of the Department as may be appropriate.

4 (b) No suit, action, or other proceeding commenced by
5 or against any agency whose functions are transferred by this
6 Act, or by or against any officer of any such agency in his
7 official capacity, shall abate by reason of the enactment of
8 this Act. A court may at any time during the dependency
9 of the litigation, on its own motion or that of any party,
10 order that the same may be maintained by or against the
11 United States or such official of the Department as may be
12 appropriate.

13 (c) Except as may be otherwise expressly provided in
14 this Act, all powers and authorities conferred by this Act
15 shall be cumulative and additional to and not in derogation
16 of any powers and authorities otherwise existing. All rules,
17 regulations, orders, authorizations, delegations, or other ac-
18 tions duly issued, made, or taken by or pursuant to applicable
19 law, prior to the effective date of this Act, by any agency,
20 officer, or office pertaining to any functions, powers, and
21 duties transferred by this Act shall continue in full force and
22 effect after the effective date of this Act until modified or
23 rescinded by the Secretary or such other officer or office
24 of the Department as, in accordance with applicable law, may
25 be appropriate. With respect to any function, power, or

1 duty transferred by or under this Act and exercised here-
2 after, reference in another Federal law to the Housing and
3 Home Finance Agency or to any officer, office, or agency
4 therein, except the Federal National Mortgage Association
5 and its officers, shall be deemed to mean the Secretary. The
6 positions and agencies heretofore established by law in con-
7 nection with the functions, powers, and duties transferred
8 under section 5 (a) of this Act shall lapse.

9 **SEPARABILITY**

10 **SEC. 10.** Notwithstanding any other evidence of the
11 intent of Congress, it is hereby declared to be the intent of
12 Congress that if any provision of this Act, or the application
13 thereof to any persons or circumstances, shall be adjudged
14 by any court of competent jurisdiction to be invalid, such
15 judgment shall not affect, impair, or invalidate the remainder
16 of this Act or its application to other persons and circum-
17 stances, but shall be confined in its operation to the provision
18 of this Act, or the application thereof to the persons and
19 circumstances, directly involved in the controversy in which
20 such judgment shall have been rendered.

21 **EFFECTIVE DATE AND INTERIM APPOINTMENTS**

22 **SEC. 11. (a)** The provisions of this Act shall take effect
23 upon the expiration of the first period of sixty calendar days
24 following the date on which this Act is approved by the
25 President, or on such earlier date as the President shall

1 specify by Executive order published in the Federal Register,
2 except that any of the officers provided for in sections 3 (a) ,
3 4 (a) , and 4 (b) of this Act may be nominated and ap-
4 pointed, as provided in such sections, at any time after the
5 date this Act is approved by the President.

6 (b) In the event that one or more officers required by
7 this Act to be appointed by and with the advice and consent
8 of the Senate shall not have entered upon office on the effec-
9 tive date of this Act, the President may designate any person
10 who was an officer of the Housing and Home Finance
11 Agency immediately prior to said effective date to act in
12 such office until the office is filled as provided in this Act or
13 until the expiration of the first period of sixty days following
14 said effective date, whichever shall first occur. While so
15 acting such persons shall receive compensation at the rates
16 provided by this Act for the respective offices in which they
17 act.

Passed the House of Representatives June 16, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To establish a Department of Housing and Urban Development, and for other purposes.

JUNE 17, 1965

Read twice and referred to the Committee on Government Operations

AN ACT

to amend the Act relating to the

Department of

the State of New York

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued June 25, 1965
For actions of June 24, 1965
89th-1st; No. 114

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HIGHLIGHTS: House committee approved cropland adjustment title of farm bill. Both houses passed bill to continue Area Redevelopment Act 2 months. Senate committee voted to report housing bill. Senate subcommittee approved bill to establish Department of Housing and Urban Development.

SENATE

1. AREA REDEVELOPMENT. Both Houses passed without amendment H. J. Res. 541, to continue for 2 months (through Aug. 31) the Area Redevelopment Act. This measure will now be sent to the President. pp. 14131, 14182-91

2. HOUSING. The Banking and Currency Committee voted to report (on June 28) "an original bill embodying a proposed Housing and Urban Development Act of 1965." p. D571

A subcommittee of the Government Operations Committee approved S. 1599, to establish a Department of Housing and Urban Development. p. D572

3. RECLAMATION. Considered S. 602, to expand the scope of the Small Reclamation Projects Act. The Congressional Record states that the bill was passed. However, the majority leader and the Daily Digest state that it will be considered further today. pp. 14152-4, D571

4. ADMINISTRATION. The Government Operations Committee submitted a report on a study of activities relating to inter-agency coordination, economy, and efficiency (S. Rept. 369). p. 14155
5. LEGISLATIVE PROGRAM. In addition to the small reclamation projects bill, the majority leader stated that today (or soon) the Senate would also consider several bills including the one on export control, that the military construction bill will come up Mon., and that the Senate may meet early on some days next week so it may take the long July 4 weekend recess. pp. 14154, D571

HOUSE

6. TREASURY, POST OFFICE, AND EXECUTIVE OFFICE APPROPRIATION BILL, 1966. Received the conference report on this bill, H. R. 7060 (H. Rept. 550). p. 14230
7. CROPLAND ADJUSTMENT. The Agriculture Committee "approved the cropland adjustment title on H. R. 7097," the farm bill. p. D573
8. FARM PROGRAM. Rep. Langen stated "millions of dollars of needed farm income have been lost to U. S. farmers as a result of CCC dumping," and inserted a task force statement on CCC resale prices. pp. 14215-16
9. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 9022, to provide financial assistance in the construction and operation of public elementary and secondary schools in areas affected by a major disaster, to eliminate inequities in the application of Public Law 815 in certain military base closings, and to make uniform eligibility requirements for school districts in Public Law 874. p. D573
The "Daily Digest" states that the Education and Labor Committee "adopted the subcommittee print on the higher education bill (H. R. 3220), as amended, a clean bill to be introduced." p. D574
10. WATER RESEARCH. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 7092 (amended), to expand, extend, and accelerate the saline water conversion program. p. D574
11. HIGHWAYS. The Public Works Committee voted to report (but did not actually report) H. R. 6790 (amended), to increase the limitation on emergency relief for the repair or reconstruction of highways under 23 U. S. C. 125. p. D574
12. FOREIGN AID. Reps. Halpern and Ottinger spoke against renewal of shipment of food to Egypt. pp. 14211-12, 14216
13. PERSONNEL; PAY. Rep. Gilbert spoke in support of the bill to adjust the salaries of postal and classified Federal employees and inserted his testimony before the subcommittee. pp. 14216-17
14. ECONOMIC POLICY. Rep. Boggs praised the economic growth and prosperity of the U. S. pp. 14219-27
15. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. there will be a continuing resolution and that beginning Mon. the housing bill, the poverty bill, and the conference report on the Post Office and Treasury appropriation bill will be considered. p. 14209.
16. ADJOURNED until Mon., June 28. p. 14209

penalties against melting of coins; Bible amendment to establish penalties for export of U.S. coins; Bible amendment to establish penalties for offering or receiving U.S. coins for collateral security for any loan; and by 27 years to 52 days (motion to reconsider tabled), Cannon amendment to provide for minting of 30-percent silver content dimes, quarters, and half dollars.

Pages 14114, 14118-14152

Authority To Report: Committee on Banking and Currency was authorized to report until midnight Monday, June 28, a proposed Housing and Urban Development Act.

Page 14152

Small Reclamation Projects: Senate made its unfinished business S. 602, to broaden the scope of the Small Reclamation Projects Act.

Pages 14152-14153

Legislative Program: Majority leader announced that on Friday, June 25, Senate will consider S. 602, small reclamation projects, to be followed by S.J. Res. 71, South Pacific Commission; S. 1760, settlement of indebtedness of Greece to U.S.; S. 1903, U.S. participation in the U.N.; H.R. 7105, export control; S. 596 (H.R. 2985), Regional Medical Complex Act; and H.R. 2984, Health Research Facilities Amendments. On Monday, June 28, Senate is expected to consider H.R. 8439, military construction. It was announced that Senate may meet early some days next week so that it may take the long 4th of July weekend recess.

Page 14154

Nominations: Eight judicial nominations were received.

Page 14179

Record Votes: Six record votes were taken today.

Pages 14124-14125, 14141, 14144, 14147, 14150, 14151

Program for Friday: Senate met at 10 a.m. and adjourned at 5:28 p.m. until noon Friday, June 25, when its unfinished business will be S. 602, small reclamation projects, to be followed by legislation listed above under "Legislative Program."

Page 14154

Committee Meetings

(Committees not listed did not meet)

FARM LEGISLATION

Committee on Agriculture and Forestry: Committee continued its hearings on S. 1702, proposed Food and Agriculture Act of 1965, and other pending farm legislation, receiving testimony from Senators Inouye and Fong; and numerous public witnesses.

Hearings continue tomorrow.

APPROPRIATIONS—STATE, JUSTICE, AND COMMERCE

Committee on Appropriations: Subcommittee continued its hearings on H.R. 8639, fiscal 1966 appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies, receiving tes-

timony from several public witnesses on various items in the bill.

Hearings continue tomorrow.

NOMINATIONS

Committee on Armed Services: Committee, in executive session, ordered favorably reported the nominations of Stanley R. Resor, to be Secretary of the Army; David E. McGiffert, to be Under Secretary of the Army; Robert H. B. Baldwin, to be Under Secretary of the Navy; Adm. David L. McDonald, for reappointment as Chief of Naval Operations for 2 years; and 4,857 nominations in the Army, Navy, and Air Force.

Prior to this action, in open session, Messrs. McGiffert and Baldwin were present to testify and answer questions on their own behalf.

HOUSING

Committee on Banking and Currency: Committee, in executive session, ordered favorably reported an original bill embodying a proposed Housing and Urban Development Act of 1965. Committee announced that the bill would be reported to the Senate on Monday, June 28.

MERCHANT AND FISHING FLEETS

Committee on Commerce: Subcommittee on Merchant Marine and Fisheries held hearings on S. 1858, to promote the replacement and expansion of nonsubsidized merchant and fishing fleets, with testimony from Senators Kennedy of Massachusetts, Brewster, and Nelson, the latter two of whom submitted written statements; Malcolm McLean, Sea-Land Service, Inc.; Vice Adm. James A. Hirshfield, Lake Carriers' Association; Marvin J. Coles, of Washington, D.C.; Edwin M. Hood, Shipbuilders Council of America; F. P. Longeway, Jr., National Fisheries Institute, Inc.; George M. Steinbrenner, Kinsman Marine Transit; and Hoyt Haddock, AFL-CIO Maritime, who submitted a statement.

Hearings were recessed until Wednesday, July 7.

SOCIAL SECURITY—MEDICARE

Committee on Finance: Committee, in executive session, ordered favorably reported with amendments H.R. 6675, increasing benefits under the Social Security Act, and to provide a hospital insurance plan for the aged under that act. Committee announced that the bill would be reported on Wednesday, June 30, and will be considered by the Senate following the July 4th holiday.

TARIFF

Committee on Finance: Committee began hearings on H.R. 8147, to amend the tariff schedules with respect to the exemption from duty for returning residents, having as its witness Secretary of the Treasury Henry H. Fowler.

Hearings continue tomorrow.

DEPARTMENT OF HOUSING

Committee on Government Operations: Subcommittee on Executive Reorganization, in executive session, approved for full committee consideration with amendments S. 1599, to establish a Department of Housing and Urban Development.

INDIANS

Committee on Interior and Insular Affairs: Subcommittee on Indian Affairs, in executive session, approved for full committee consideration the following bills: S. 1904, authorizing Secretary of the Interior to hold in trust certain federally owned lands for the Indians of the Pueblos of Acoma, Sandia, Santa Ana, and Zia (amended); S. 1938, to remove the 50-year-lease limitation on the Pyramid Lake Indian Reservation land in Nevada; H.R. 5860, to amend the law relating to the final disposition of the property of the Choctaw Tribe; H.R. 70, a private bill, conveying 80 acres of land to the heirs of Adam Jones, Creek Indian; and S. 1282, a private bill, to restore to the heirs of the Indian grantor certain tribal land of the Iowa Tribe of Oklahoma.

Prior to this action, in open session, subcommittee received testimony on these proposals from Graham E. Holmes, Assistant Commissioner of Indian Affairs, Department of the Interior.

CONSTITUTIONAL RIGHTS

Committee on the Judiciary: The Constitutional Rights Subcommittee continued its hearings on several pending bills designed to protect the constitutional rights of the American Indian. Witnesses heard were Cato W. Valandra, the United Sioux, St. Francis, S. Dak.; Josephine D. Neuman, the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Dixon, Mont.; William F. Day, Jr., Rosebud Tribal Court, Winner, S. Dak.; Frank Takes Gun, national president, the Native American Church, Albuquerque; and Vine Deloria, Jr., National Congress of American Indians.

Hearings continue on Tuesday, June 29.

IMMIGRATION

Committee on the Judiciary: Subcommittee on Immigration and Naturalization continued its hearings on S. 500, and other pending legislation proposing amendments to the immigration and nationality laws, having as its witnesses Mrs. Norma C. Williams, of Arlington, Va.; and Mrs. Roy L. Erb, Republican Committee of One Hundred, Inc.

Hearings continue tomorrow.

FIREARMS

Committee on the Judiciary: The Juvenile Delinquency Subcommittee resumed its hearings on S. 1592, to regulate the shipment of firearms in interstate commerce, having as its witnesses James V. Bennett, former Director of the Federal Bureau of Prisons; Herbert T.

Jenkins, chief of police of Atlanta, Ga.; Edward P. Nolan, of Sturm, Ruger & Co., Southport, Conn.; and Douglas R. Hellstrom, Smith & Wesson, Inc., Springfield, Mass.

Hearings continue on Wednesday, June 30.

RIGHT TO WORK LAWS

Committee on Labor and Public Welfare: Subcommittee on Labor continued its hearings on S. 256, repealing section 14(b) of the Taft-Hartley Act, which affirms the rights of the States to forbid compulsory unionism (right to work laws); and on S. 731 and H.R. 5883, requiring bond under the Labor-Management Reporting and Disclosure Act to provide protection from loss from acts of fraud or dishonesty. Witnesses heard were Reed Larson, National Right-to-Work Committee, Washington, D.C.; William L. Gatz, who represented the Council of State Chambers of Commerce; and a panel of the following: Thomas E. Shroyer and Harry F. Browne, both of the American Retail Federation; Prof. Michael I. Sovern, Columbia University Law School; and Prof. Joseph R. Dempsey, S.J., University of Detroit.

Hearings continue tomorrow.

WATER POLLUTION CONTROL

Committee on Public Works: Special Subcommittee on Air and Water Pollution concluded its series of hearings to receive testimony on progress made under the Federal Water Pollution Control Act, after receiving testimony from Nicholas Johnson, Maritime Administrator, A. J. Von Frank, Manufacturing Chemists Association, Inc.; Dr. Bertram C. Raynes, Rand Development Corp., Cleveland; and a panel composed of the following: Dr. Spencer M. Smith, Citizens Committee on Natural Resources; Louis S. Clapper, National Wildlife Federation; Daniel A. Poole, Wildlife Management Institute; Philip A. Douglas, Sport Fishing Institute; Charles H. Callison, National Audubon Society; and Robert T. Dennis, the Izaak Walton League of America.

MUSEUMS

Committee on Rules and Administration: Subcommittee on the Smithsonian Institution held hearings on S. 1310, to expand the activities of the Smithsonian Institution in cooperative undertakings to improve museum resources, with testimony from Dr. S. Dillon Ripley, Secretary of the Smithsonian; John Nicholas Brown, Regent of the Smithsonian; Joseph A. Patterson, director of the American Association of Museums; Edgar P. Richardson, director, Winterthur Museum, Wilmington, Del.; John H. Kerr, director, Huntington Galleries, Huntington, W. Va.; William N. Richards, who represented Dr. S. K. Stevens, both of the Pennsylvania Historical Museum Commission; and Miss Janet R. MacFarlane, director, the Albany Institute of History and Art.

Hearings were adjourned subject to call.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

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OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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Issued
For actions of

August 2, 1965
July 30, 1965
89th-1st; No. 139

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HIGHLIGHTS: Senate committee voted to report bill to establish Department of Housing and Urban Development, and proposed Intergovernmental Cooperation Act (grants-in-aid, etc.). Sen. Gruening criticized Public Law 480 aid to UAR. Sen. Bartlett commended Forest Service timber sales policies in Alaska. House subcommittee voted to report bill to establish Spruce Knob-Seneca Rocks Recreation Area, W. Va.

SENATE

1. HOUSING. The Government Operations Committee voted to report (but did not actually report) with amendment S. 1599, to establish a Department of Housing and Urban Development. p. D725
2. INTERGOVERNMENTAL RELATIONS. The Government Operations Committee voted to report (but did not actually report) with amendment S. 561, the proposed Intergovernmental Cooperation Act of 1965 (grants-in-aid, etc.). p. D725

3. REPORTS; INFORMATION. The Government Operations Committee voted to report (but did not actually report) with amendment S. 2150, to eliminate certain reports and other publications prepared by Federal agencies. p. D725
4. RESEARCH. The "Daily Digest" states that the Government Operations Committee "deferred action on S. 1136, to establish Commission on Science and Technology until the next executive session of the committee." p. D725
5. WATER RESOURCES. Sen. Anderson reviewed the problem of water shortages in the Northeast and West and urged additional efforts for the development and conservation of the nation's water resources. pp. 18185-7
Sen. Moss urged enactment of water pollution control legislation and inserted an editorial in support of such legislation. p. 18225
6. PUBLIC LAW 480. Sen. Gruening criticized continued assistance to Egypt under Public Law 480 and inserted two GAO reports which he stated "are significant contributions to the long list of violations of aid agreements that have been committed by the United Arab Republic." pp. 18213-22
7. FORESTRY. Sen. Bartlett commended the timber sales policies of the Forest Service in Alaska as aiding the economic development of the State. pp. 18191-2
8. WATERSHEDS. Sen. Monroney inserted a Deep Fork Watershed Assoc., Okla., resolution urging construction of two reservoirs as a part of the central Okla. project. pp. 18180-1
9. BALANCE-OF-PAYMENTS. Sens. Robertson and Hartke inserted several items reviewing the balance-of-payments situation. pp. 18197-200, 18208-13
10. ADJOURNED until Mon., Aug. 2. p. 18239

HOUSE

11. RECREATION; FORESTRY. The "Daily Digest" states that a subcommittee of the Agriculture Committee approved for full committee with amendment H. R. 9584, to provide for establishment of the Spruce Knob-Seneca Rocks National Recreation Area in W. Va.; with amendment H. R. 316, to establish the Mount Rogers National Recreation Area in the Jefferson National Forest, Va.; and H. R. 8344, to authorize the acquisition of certain lands within the boundaries of the Uinta National Forest, Utah. pp. D725-6

ITEMS IN APPENDIX

12. RESEARCH. Extension of remarks of Sen. Monroney stating that in many areas "a feeling of bitterness...exists because of the unequal distribution of Federal research and development funds" and that "intensive congressional activity" along this line will depend upon the selection of the site for the proposed new National Accelerator; and inserting an article, "The Research and Development Pork Barrel." p. A4221
13. ALLIANCE FOR PROGRESS. Extension of remarks of Rep. Roybal inserting the comments of the President on the occasion of the signing of the \$35 million loan to the Central American Bank for Economic Integration. pp. A4227-8

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Issued August 3, 1965
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HIGHLIGHTS: Senate committee reported bill to establish Department of Housing and Urban Development. Rep. Findley criticized farm bill. House received interim report of National Food Marketing Commission. Rep. Anderson expressed concern over "lobby campaign" against wheat provisions of farm bill.

SENATE

1. HOUSING. The Government Operations Committee reported with amendments S. 1599, to establish a Department of Housing and Urban Development (S. Rept. 536). p. 18291

2. FOREIGN TRADE. The Finance Committee reported with amendments H. R. 7969, to correct certain errors in the U. S. Tariff schedules (S. Rept. 530). p. 18291

3. ACCOUNTING; PERSONNEL. The Banking and Currency Committee reported with amendments S. 1309, to authorize Federal disbursing officers to make payment by sending to banking organizations designated by a person a check that is drawn in favor of the banking organization for credit to the person's account (S. Rept. 532). p. 18291
4. FOOD. Sen. Proxmire inserted two Wisc. Legislature resolutions urging Congress to consider a "massive program" of American-grown food, including Wisc. agricultural products, for foreign aid, and opposing the use of oleomargarine, instead of butter, in domestic welfare programs. p. 18313
5. PEACE CORPS. Conferees were appointed on S. 2054, to authorize appropriations for the Peace Corps for 1966 (pp. 18304-5). House conferees have not yet been appointed.

6. FOREIGN AID. Sen. Javits commended and inserted several articles on the efforts of President Frei of Chile to promote the economic development of Latin America. pp. 18292-5

Received from AID a reply to a GAO report "relating to unnecessary costs resulting from an inflexible policy of donating flour instead of wheat to voluntary relief agencies for distribution abroad under the Agricultural Act of 1949." p. 18291

Received from AID a reply to a GAO report "relating to unnecessary dollar costs incurred in financing purchases of commodities produced in Brazil." p. 18291

HOUSE

7. PERSONNEL. The Government Operations Committee reported with amendment H. R. 4653, to authorize checks to be drawn in favor of banking organizations for the credit of a person's account, under certain conditions (H. Rept. 703) (p. 18287); and without amendment H. R. 9020, to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel costs for applicants invited by a department to visit it for purposes connected with employment (H. Rept. 710) (p. 18288).
8. CLAIMS. Passed with amendments H. R. 5024, to provide for settlement of claims by Government personnel for damage to or loss of personal property incident to their service. pp. 18241-43
9. POVERTY. Rep. Mackay spoke in support of the bill to expand the war on poverty. p. 18268
10. EDUCATION. Rep. Langen commended House passage of the proposed Vocational Rehabilitation Act Amendments calling it "the most effective war on poverty legislation yet passed." p. 18269
11. FARM PROGRAM. Rep. Findley criticized the farm bill stating that a speech text issued by Secretary Freeman "in which he predicted net farm income will be reduced...if Congress fails to act" is "fiction and grossly misleading." pp. 18269-70
12. WATER. Rep. Tunney discussed the inadequate water supply throughout the nation and urged planning for future water needs. pp. 18270-2

**ESTABLISHMENT OF A DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT**

REPORT
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES SENATE
ON
S. 1599



AUGUST 2, 1965.—Ordered to be printed

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WASHINGTON : 1965

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ESTABLISHMENT OF A DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

AUGUST 2, 1965.—Ordered to be printed

Mr. Ribicoff, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany S. 1599]

The Committee on Government Operations, to whom was referred the bill (S. 1599), to establish a Department of Housing and Urban Development, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows: ¹

Page 2, line 11, after the word "housing" insert a comma and strike the word "and"; after the word "development" insert the words "and mass transportation".

Page 2, line 14, after the semicolon insert the words:

to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy;

Page 3, line 16, after the semicolon insert the words:

consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects;

Page 3, line 19, change the comma to a semicolon and insert the words:

encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department;

For a comprehensive explanation of the amendments, see pp. 6-15.

Page 4, line 3, after the word "OFFICERS" in the heading insert the words "AND OFFICES".

Page 4, line 12, after the period insert the sentence:

One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

Page 4, following line 21, insert a new subsection "c" as follows:

(c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

Page 5, following line 13, insert a new subsection "c" as follows:

(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute.

PURPOSE

The bill (S. 1599), as introduced, would create a new executive Department of Housing and Urban Development. The bill declares that the general welfare of the Nation and the health and living standards of our people require the sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work. The bill also contains a finding by the

Congress that the establishment of a Department of Housing and Urban Development is desirable in order to—

Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities;

Assist the President in achieving maximum coordination of the various Federal activities which have a major effect on urban or suburban development;

Encourage the solution of problems of housing and urban development through intergovernmental cooperation at the State, regional, and local level and through private action; and

Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

The new Department would be headed by a Secretary who would be appointed by the President with the advice and consent of the Senate, as would be an Under Secretary, four Assistant Secretaries, and a General Counsel. The Secretary would be given responsibilities for—

Advising the President with respect to Federal programs relating to housing and urban development;

Developing and recommending to the President policies for fostering the orderly growth of the Nation's urban areas;

Exercising leadership at the direction of the President in coordinating Federal activities affecting housing and urban development;

Providing technical assistance and information, including a clearinghouse service to States, counties, towns, and other localities in developing solutions to problems of urban development;

Encouraging comprehensive planning for community development by States and localities with a view to achieving coordination of Federal, State, and local urban development activities within the local areas covered by such comprehensive planning; and

Conducting studies with respect to problems within the new Department's sphere of responsibilities.

The bill makes it clear that the activities of the new Department would run to the housing and other development problems of communities, both large and small, without regard to their population or their corporate status, except as may be expressly provided by substantive law.

The bill transfers to, and vests in, the Secretary of the new Department the functions of the Housing and Home Finance Agency and its Administrator. These include the urban renewal, urban planning, and open-space programs of the Urban Renewal Administration and the planning advances and public facility and other loan programs of the Community Facilities Administration, along with the Agency's urban mass transportation programs. The bill would also transfer to the Secretary the authority now vested by law in the Federal Housing Commissioner and the Public Housing Commissioner. The Federal National Mortgage Association, a corporate entity which provides a secondary mortgage market for FHA-insured and Veterans' Administration-guaranteed mortgages, would be transferred to the new Department in its present corporate form, with the Secretary replacing the Housing Administrator as Chairman of the FNMA Board.

BACKGROUND

Problems of urban growth

Ours is an urban society. Already the great majority of Americans live in cities and their suburbs. These cities and suburbs along with smaller towns and villages, are in differing ways beset with problems of rapid urban and community development. Older urban areas are faced, at one and the same time, with problems of inherited slums and blight, and of rapid new growth; and even our youngest and smallest communities are faced with urgent problems arising from present or imminent growth.

The health of our society rests on the well-being and progress of our cities, suburbs, towns, and villages, and the people who live in them. But our urban areas, both large and small, are in trouble. The costs of local services are rising at an alarming rate. Local taxes this year are running about 140 percent higher than just 1 year ago, and are still climbing. The same is true of State taxes. The burden on local governments to meet the need for more services grows heavier day by day.

The President in his message to the Congress of March 2, 1965, on urban problems had this to say:

In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.

Between today and the year 2000, more than 80 percent of our population increase will occur in urban areas. During the next 15 years, 30 million people will be added to our cities—equivalent to the combined population of New York, Chicago, Los Angeles, Philadelphia, Detroit, and Baltimore. Each year, in the coming generation, we will add the equivalent of 15 cities of 200,000 each.

Already old cities are tending to combine into huge clusters. The strip of land from southern New Hampshire to northern Virginia contains 21 percent of America's population in 1.8 percent of its areas. Along the west coast, the Great Lakes, and the Gulf of Mexico, other urban giants are merging and growing.

Our new city dwellers will need homes and schools and public services. By 1975 we will need over 2 million new homes a year. We will need schools for 10 million additional children, welfare and health facilities for 5 million more people over the age of 60, transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

In the remainder of this century—in less than 40 years—urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

Yet these new overwhelming pressures are being visited upon cities already in distress. We have over 9 million homes, most of them in cities, which are run down and deteriorating; over 4 million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million acres a year.

HISTORY

Bills to establish an executive department concerned with housing and urban development were introduced in the 84th, 85th, 86th, 87th, 88th and 89th Congresses. Although the specific provisions of these bills varied, they all had as their major purpose the creation of a Cabinet-level Department to administer and coordinate Federal programs and activities having a major impact on housing and urban development.

In 1961 President Kennedy urged the creation of a Department of Urban Affairs and Housing and transmitted draft legislation to the Congress for this purpose. He again stressed this need in his state of the Union message for 1962, in the transmittal of Reorganization Plan No. 1 of 1962 to the Congress, and in his budget message of January 1963.

President Johnson, in his budget message of January 21, 1964, and in his message of January 27, 1964, transmitting draft legislation on housing, stated the necessity for Government organization to reflect current program and needs, and recommended the establishment of a Department of Housing and Community Development. On March 2, 1965, in his message to the Congress concerning the problems and future of the central city and its suburbs, the President again emphasized the need for such a Department and asked that the Congress establish it.

S. 3292, a bill to establish a Department of Housing and Metropolitan Affairs, introduced during the 86th Congress by Senator Clark for himself and Senators Murray, Javits, and Williams of New Jersey, was favorably reported by the Senate Committee on Banking and Currency (Report No. 1607 to accompany S. 3292, 86th Cong., 2d sess.) following hearings held over a 3-week period starting on May 9, 1960. No further action was taken on this bill.

During the first session of the 87th Congress, 20 bills relating to the establishment of such a Department were introduced. Following hearings before the House and Senate Committees on Government Operations, identical bills for this purpose were reported favorably in the two Houses: S. 1633 in the Senate and H.R. 8429 in the House of Representatives. No further action was taken on these bills, following the House Rule Committee vote not to grant a rule on H.R. 8429.

Reorganization Plan No. 1 of 1962 to establish a Department of Urban Affairs and Housing was transmitted to the Congress on January 30, 1962. Hearings were held before the House and Senate Committees on Government Operations, and a report favorable to the plan was issued by the House committee. The plan was rejected by the House of Representatives on February 21, 1962, after the Senate had rejected a motion to discharge the committee from further consideration of the plan.

S. 1599, to establish a Department of Housing and Urban Development, was introduced by Senator Ribicoff (for himself and Senators Brewster, Clark Dodd, Douglas, Gruening, Hart, Javits, Kennedy of New York, Long of Missouri, Muskie, Pell, Tydings, and Williams of New Jersey) on March 25, 1965. A companion bill, H.R. 6654, was introduced in the House March 23, 1965. These identical bills embodied the Administration's proposal transmitted by the Director of the Bureau of the Budget on March 23, 1965.

Prior to the transmittal of the Administration draft bill, the President had specifically endorsed such legislation on three separate occasions this year—his state of the Union message, his budget message, and his message on problems and future of the central city and its suburbs.

HEARINGS

The Subcommittee on Executive Reorganization held hearings on S. 1599 and companion bills at which Senators, local government officials, and representatives of interested organizations presented their views.

The Administration's testimony was presented by Budget Director Kermit Gordon. Senators Clark and Javits testified for its enactment. Also appearing in support of the bill were representatives of the following organizations:

National Association of Housing and Redevelopment Officials.

U.S. Conference of Mayors.

National League of Cities.

National Association of Home Builders.

National Housing Conference.

National Association of Counties.

American Institute of Planners.

American Federation of Labor and Congress of Industrial Organizations.

United Presbyterian Church, U.S.A.

Appearing against the bill were representatives of the American Farm Bureau Federation and the National Association of Real Estate Boards. Witnesses testifying on behalf of the Mortgage Bankers Association of America, although expressing doubt as to the need for the bill, took no position either for or against it but recommended certain changes with respect to the status of the Federal Housing Administration if it is enacted.

Many other statements, both for and against the proposed legislation were received and appear in the printed subcommittee hearings.

COMMITTEE AMENDMENTS

The committee has adopted a number of amendments to the bill. These are explained below.

Status and name of the Federal Housing Administration

(a) Status of the FHA

Section 4(a) of the bill as introduced provides for four Assistant Secretaries in the new Department to be appointed by the President by and with the advice and consent of the Senate. The committee has adopted an amendment requiring that one of these Assistant Secretaries "shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market." This amendment assures that the extremely important programs of the Federal Housing Administration, as well as those of its closely related sister agency, the Federal National Mortgage Association, will be administered at the Assistant Secretarial level. Both of these agencies were created pursuant to, and administer programs authorized by, the National Housing Act.

Indeed, a major function of the FNMA is to provide a secondary market for the mortgages insured by the Federal Housing Administration.

For some 30 years, the FHA's regular mortgage insurance programs have provided a steady influence on the national flow of credit for sales and rental housing and for home repairs. With relatively minor modifications, FHA mortgage insurance, in addition to serving general housing needs, has helped serve the special housing needs of World War II military personnel and defense workers; has helped overcome the severe postwar housing shortages which faced our returning World War II and Korean war veterans; has helped gain widespread acceptance in the private financial market for cooperative housing; and, more recently, has helped provide for housing in urban renewal areas and housing serving the special needs of persons displaced by urban renewal and of the elderly. These FHA programs have enlarged the role of private enterprise, assisting it to serve an ever-broadening share of the total housing market.

Accordingly, the committee found itself in full accord with recommendations made by the homebuilding and mortgage lending industries that there be incorporated in the legislation express provisions for the private mortgage market functions of the new Department to be administered at an appropriately high level.

The committee has made a close and careful analysis of the differences between the committee amendment and the proposal to transfer the FHA to the new Department with all its functions vested in a Federal Housing Commissioner appointed by the President with the advice and consent of the Senate, who would exercise his functions "under the supervision and direction of the Secretary." We find the following similarities in the two proposals:

1. Under both the functions of the FHA would be administered at an appropriately high level with the administering official being appointed by the President, confirmed by the Senate, and being paid at the assistant secretarial level of the Federal executive salary schedule.

2. Under both the functions would be performed by the administering official subject to the supervision and direction of the Secretary of the new Department.

3. Under both the personnel employed in connection with FHA's functions would be transferred with such functions, and there would be no diminution of any rights under civil service laws.

The committee also noted the following differences between the two proposals:

1. Only under the committee amendment would the administering official of the FHA also have coordinating responsibilities relating to the Federal National Mortgage Association. Under either amendment the FNMA would remain a corporate entity administered by a policymaking Board of Directors headed by the Secretary of the Department. Under either amendment, also, the day-to-day executive direction of this corporate entity would remain in its President. The responsibilities of the Assistant Secretary under the committee amendment with respect to the FNMA would relate primarily to matters of coordination between the FHA and the FNMA. In this con-

nection it should be noted that both agencies were established pursuant to the National Housing Act, and both carry out programs, related to the private mortgage market, authorized by that act. The function of the FNMA is to purchase and sell mortgages insured by the FHA (as well as those guaranteed by the VA) in order to provide a secondary market for federally aided mortgages.

2. Under the committee amendment the title of the administering head of the FHA would be "Assistant Secretary," whereas it would be "Commissioner" under the other proposal, with the latter perhaps carrying a connotation of somewhat lower rank.

3. The significant difference between the committee amendment and the proposal to establish a semiautonomous FHA lies in the fact that under the latter ultimate legal authority would be vested in a subordinate official, the Commissioner (although exercised under the supervision and direction of the Secretary); whereas in the committee amendment the ultimate legal authority would be vested in the Secretary (although administered by the designated Assistant Secretary under the Secretary's supervision and direction).

The committee feels that of the two proposals its amendment is preferable, because it is patently self-contradictory to place ultimate legal authority in a subordinate official rather than in the head of an agency. In view of the fact that, under either proposal, the Secretary would have the power of supervision and direction, the only apparent difference that results from placing the ultimate legal authority in the subordinate official is to create an element of uncertainty and confusion with respect to the nature of the Secretary's supervisory powers.

The committee believes it to be a well-established principle of public administration that final legal authority and final responsibility should be clear and should be in the head of an organization. This principle was clearly stated by the first Hoover Commission when it recommended that—

Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and *no subordinate should have authority independent from that of his superior.* [Emphasis added.]

Based on this Hoover Commission recommendation, a series of reorganization plans and statutes, which took effect in 1949–50, transferred nearly all statutory authorities within most departments to the department heads. This new Department should reflect this trend of good Government as recommended by the Hoover Commission.

(b) *Name of the FHA*

Testimony was presented expressing concern that the enactment of this bill might give rise to legal problems under some State laws which authorize financial institutions to extend more liberal mortgage terms to their borrowers when the mortgage is insured by the "Federal Housing Administration" or the Federal Housing "Administrator"

or "Commissioner." The point was made that if the titles "Federal Housing Administration" or "Federal Housing Commissioner" are discontinued by the Secretary of the new Department, there could be a period, pending the enactment of conforming amendments in State laws, when the authority of lending institutions to make the more liberal mortgage loans would be unclear.

On the basis of study and inquiry, the committee is satisfied that there is no good cause for concern with respect to any diminution of the flow of FHA-aided mortgage funds as a result of the enactment of this bill. Some State laws permitting liberal mortgage terms refer to a "Federal Housing Administrator" and, notwithstanding the failure to amend these laws, no problem arose subsequently to Reorganization Plan No. 3 of 1947 which changed the title of the "Federal Housing Administrator" to "Federal Housing Commissioner." This proved to be the case because State officials who regulate financial institutions under State law look to the reality of the Federal Government's insurance of the mortgage, and recognize that the change of the name of a particular Federal office represents no real change in the nature of the Federal instrumentality referred to in the State law. The General Counsel of the Housing and Home Finance Agency has submitted a memorandum of law dated June 10, 1965, concluding that the transfer of FHA functions to the Secretary of the new Department would not have an adverse effect under State laws. This memorandum appears as exhibit A on page 30.

Furthermore, in order to remove any possible remaining doubt with respect to the legal problems raised, the committee obtained written assurance from the General Counsel of HHFA that "in the unlikely event that a problem in this regard should exist in any State, the Department would of course make any adjustment in its administrative organization necessary to remove the problem." This could easily be done by preserving names or terminology for official purposes. This assurance appears in a letter dated May 11, 1965, to the subcommittee chairman and is printed at page 218 of the hearings. Finally, this entire question became moot when, in another connection, the committee obtained assurance from the Director of the Bureau of the Budget that the name "Federal Housing Administration" would in fact be continued within the new Department.

By letter dated June 10, 1965, and appearing at page 298 of the hearings, Mr. Charles L. Schultze, Director of the Bureau of the Budget, assured the Congress that the Secretary of the proposed new Department, whoever he may be, will so organize the Department as to provide—

that the basic mortgage insurance functions will undoubtedly continue under the Department to be identified officially with the name "Federal Housing Administration."

Coordination of urban development functions

The committee, in its consideration of this bill, was largely concerned with the problem of how best to achieve coordination of the many Federal functions that importantly affect community development. The achievement of such coordination is, of course, essential. At best, uncoordinated programs result in duplication and in wasteful expenditures of administrative and program funds. Even more important is the fact that uncoordinated programs may actually conflict with or negate each other.

Problems relating to coordination and their solution will, of course, differ depending on whether the problem relates to (1) coordination of broad national policies, (2) coordination of the administration of national programs, and (3) local project-by-project coordination. Obviously, within the executive branch, only the President has the ultimate responsibility for determining emphasis and priorities among national goals. Also, only the President can provide the basic leadership for minimizing policy conflicts among Federal agencies and departments, as well as for settling them when they do arise.

In performing these functions, the President has traditionally been assisted by several means—all of which are designed to conserve his time and to reduce to a minimum his involvement in matters which are not of the highest national importance. These have traditionally included the Cabinet, such White House offices having Government-wide scope as the Bureau of the Budget and the Council of Economic Advisers, and intergovernmental committees. Each of these devices has unique strengths, and each is useful in its place. No one of them is fully a substitute for any of the others.

Placing the important functions that would be transferred to the new Department at the Cabinet level in itself strengthens the machinery available to the President for coordinating these functions and other Federal functions that affect community development. This fact is fully recognized in the bill as introduced. Among the purposes of the bill recited in the Declaration of Purpose is providing assistance to the President "in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development." Also, among the responsibilities that would be assigned to the Secretary of the new Department under section 3(b) of the bill is that of exercising "leadership at the direction of the President in coordinating Federal activities affecting housing and urban development." That is to say, the Secretary of the new Department will help the President coordinate Federal programs from the viewpoint of their effect on urban development even though these same programs must be considered from other viewpoints as well.

The committee contemplates that in exercising the duties with which he is charged under the bill, the Secretary should determine and engage in a continuing evaluation of the relationship of each program within the new Department to other programs administered by other departments and agencies of the Federal Government, to insure that there are no conflicts among the aims and application of the various programs. The Secretary may well wish to arrange for studies to determine the points at which the programs within the new Department need coordination with complementary or overlapping programs administered elsewhere in the Federal Government. In his endeavors to coordinate the new Department's programs with those of other departments and agencies, the committee contemplates that the Secretary would then negotiate and consult with his counterpart, or that official's designee, in other departments and agencies, with a view to entering into interdepartmental agreements and promulgating agency procedures or regulations which recognize the points at which all programs cross over with one another in either complementary or overlapping fashion, and which provide for taking such crossovers into account and, where appropriate, for uniform standards in the admin-

istration of such programs. Finally, such procedures should provide for appropriate transmission of information among the relevant departments and agencies of the Federal Government.

Turning now to coordination between Federal programs and State and local programs, the bill as introduced contemplates that such coordination would be assisted by several devices. One of these, as stated in section 3(b), is the provision of "technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems." A related responsibility of the Secretary referred to in section 3(b) is to "encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities." In this latter connection the committee recognizes that, at the local level, project-by-project coordination can best be achieved against a background of already existing comprehensive planning which is carried out by the locality itself and effectuated by local governmental authorities themselves. Unless meaningful and effective comprehensive planning—whether federally aided or not—is being carried out by the locality itself, no amount of coordination by Federal agencies can achieve sensible local development. It is for this reason that the existence of appropriate comprehensive local plans has been made by the Congress a prerequisite for many forms of Federal development aid.

During the time that an airport or a highway is in its preliminary planning stage, it is often too early to achieve meaningful coordination by relying on intergovernmental conferences involving perhaps 10 or more State and local agencies and 2 or 3 Federal agencies. The subject matter of the conference at this early planning stage is typically too indefinite to provide a basis for agreement among so many interested parties. After an airport or a highway is in a very advanced stage of planning, it is often too late to achieve coordination among numerous interested agencies by any means other than wasteful and time-consuming conflict. By then, much money has been spent on planning; deadline dates are approaching; and the pressures are too great to get on with breaking ground. Thus, a major tool for achieving sensible urban development will always be the coordination of planning for specific projects against a background of preexisting comprehensive planning carried on for the entire local area by the local officials themselves. Federal assistance to localities for such comprehensive local urban planning would be a function of the proposed new Department and a major device for coordinating local development projects, including many which receive aid under programs of other Federal departments and agencies.

Although the committee is fully aware of the merits of these several coordinating devices, the use of which is contemplated by the bill as introduced and by existing law, it believes that there should be within the new Department an office specifically concerned with the problems of coordination of Federal urban development programs.

Such an office is not intended as a substitute for the other coordinating devices. Nor is it intended to reduce the attention which operating officials of the Department should give in their work to the need for coordination of interrelated programs, whether administered within the new Department or elsewhere. Rather, such an office is

intended to provide a focal point for identifying such coordination problems and for assisting in their solution.

Accordingly, the committee has adopted an amendment, adding a new subsection (c) to section 4 of the bill as introduced. This amendment would provide for an office in the Department to be known as the Office of Urban Program Coordination. It would be headed by a Director appointed by the Secretary. The Office would assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. The Director would, of course, have no power except insofar as he derives it from the Secretary. Nor would the creation of this Office in any way increase the power of the Secretary, whose authority would flow, as contemplated by the bill as introduced, from existing substantive law and from the President.

The committee believes that the Office will be an extremely important source of assistance to the Secretary in enabling him to carry out his coordinating responsibilities. In providing assistance to the Secretary of the Department, the Director of the Office would, under the committee amendment, make such studies of urban problems as the Secretary shall request, and would develop recommendations relating to the administration of Federal programs affecting community development. The Director would, in carrying out his responsibilities, (1) establish and maintain close liaison with the other Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to community development programs.

Scope of the Department's functions

One means of achieving a maximum measure of coordination among interrelated Federal programs is to vest important programs having a common major purpose within the same Department. The bill is intended to accomplish this result with respect to Federal programs which relate essentially to problems centering around the quality of the physical environment of our urban areas. The bill would place in the new Department the major Federal aid programs for dealing with problems arising from rapid urban growth, where these programs primarily relate to the planning and physical development of our urban areas, both large and small. The Bureau of the Budget has described the primary mission of the Department as being "to carry out major functions relating to the improvement of the physical environment of the urban community and to provide a focus for executive branch efforts in this direction through its own programs and related programs and functions of other agencies."

The bill is thus not intended to create a new Department to administer all Federal programs relating to what happens in cities. While the Department will be concerned primarily with physical development involving the provision of good homes in good neighborhoods, served by necessary and well-planned community facilities, it is not intended to be the only Department concerned with the interests of people in cities. For instance, the Bureau of Outdoor Recreation of the Department of the Interior is not included in the new Department even though one of the Bureau's major programs, namely, the land

and water conservation fund program, operates within cities and gives, by direction of the President, priority attention to serving the outdoor recreation needs of our growing urban population.

The Bureau of the Budget has reported that consideration was given by the administration to transferring to the new Department some functions having an important impact on urban development which are administered in agencies other than the Housing and Home Finance Agency. The administration concluded, however, that such transfers should not now be made for one or more of the following reasons:

- (1) The present position of the function or program in the structure of the executive branch is rationalizable on equal or better grounds;

- (2) The performance of the function or program in its present position has been satisfactory; or

- (3) In cases where performance has not been entirely satisfactory, the cause is not attributable to its position in the organizational framework of the executive branch—at least not clearly enough to justify its transfer;

- (4) Their urban development and nonurban or nondevelopmental aspects are not clearly separable.

The committee, however, believes that the subject warrants further and continued study, particularly in the light of rapid changes in urban problems and in the substantive Federal legislation addressed to such problems. The committee is particularly interested in receiving the recommendations of the President with respect to Federal functions affecting urban development which might appropriately be transferred to or from the new Department on the assumption that its major mission relates to the improvement of the urban physical environment. The committee is also interested in receiving recommendations from the President with respect to a possible broadening of the mission of the new Department.

Accordingly, the committee has adopted an amendment adding a new subsection (c) to section 5 of the bill providing for the President to undertake studies of the organization of housing and urban development functions and programs within the Federal Government. Findings and conclusions of such studies would be reported to the Congress, together with the President's recommendations regarding the possible transfer of functions to or from the new Department.

The committee has also adopted as part of the new subsection (c) a further amendment which provides that none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan which takes effect pursuant to the Reorganization Act of 1949 or by statute. This provision is intended to express the will of the Congress that the Bureau of Outdoor Recreation in the Department of the Interior be permitted to carry on its functions with respect to outdoor recreation although these functions, as authorized by law, are intended to serve urban, as well as other recreational needs.

The Bureau was established in the Department of the Interior in 1962, and is thus one of the youngest of the organizational units within the Department of the Interior. One of its major initial tasks was to prepare a monumental inventory and evaluation of the outdoor recreation needs and resources of the United States. This work of the Bureau contributed to the foundation of the Land and Water Conservation Fund Act which went into effect only this year. Thus, the Department of the Interior is now at a takeoff point whert it can utilize its long-established skills, its recently created organizational unit, and its even more recent congressional mandate to perform a major national service in the field of outdoor recreation.

The Department of the Interior, operating through the Bureau, has made an excellent beginning in an important national task, and therefore your committee felt that it would be helpful to make it clear that no organizational change is contemplated which might interfere with this good beginning or could be effected without adequate congressional review.

Your committee also believes that it would be within the intent of sections 3(b) and 4(c) of this act if the new Department were to work closely with the Department of the Interior and with State and local governments in encouraging the maximum use of the programs of both Departments, including the provisions of the Land and Water Conservation Fund Act of 1965, so that opportunities for our urban population to participate in outdoor recreation will be increased. It is in urban areas where such opportunities have been shrinking at the most rapid rate. Thereby the Department of the Interior and the Department of Housing and Urban Development would be encouraging outdoor recreation for the many, and not just for the few.

Clarifying amendments with respect to the role of private enterprise; coordination with State governments; and problems of mass transportation

The committee has adopted a number of amendments which are not intended to change the basic intention of the bill, but which are nevertheless important in that they would significantly clarify the Congressional intention, thereby avoiding public misunderstanding.

The role of private enterprise

The committee had adopted an amendment to the Declaration of Purpose expressly listing among the purposes of the bill the encouragement of "the maximum contributions that may be made by vigorous private home-building and mortgage lending industries to housing, urban development, and the national economy." A companion amendment has been added to section 3(b) of the bill stating that the Secretary shall, among his responsibilities—

encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department.

These amendments express the intention of the Congress that the Secretary would utilize such programs as mortgage insurance to encourage and supplement private credit recognizing the fact that the private market must continue to account for the great bulk of all

housing credit extensions. This type of emphasis in the administration of the mortgage market programs of the Department is essential not only to preserve and strengthen the ability of the free enterprise system to allocate resources efficiently, but also to avoid placing unnecessarily large burdens on other programs of the Department. It is also the sense of the amendment that the Secretary would be alert to recommend changes from time to time in ongoing programs of the Department in order to encourage the maximum contribution by private enterprise.

Coordination with State governments

The bill as introduced contains several provisions (in secs. 2 and 3) which make it clear that the new Department is intended to work with, and to assist, State and county governments in coping with their responsibilities relating to urban growth. One provision in the bill as introduced (sec. 3(c)) expressly provides that nothing in the bill shall be construed to deny or to limit the benefits of any program, function, or activity of the Department to any community on the basis of its population or corporate status, except as may be expressly provided by law. These various provisions of the bill as introduced make it abundantly clear that the Department is to serve our States as well as our localities and that it is to serve our smallest communities as well as our largest cities.

It should be noted also that the establishment of the Department does not in any way connote any bypassing or reduction of the constitutional powers and responsibilities of the States under our Federal system of Government. Federally aided programs administered by the Department are governed by substantive laws which make it clear that the private and local government recipients of the Federal aid must comply with all applicable State laws. Indeed, in the case of counties, municipalities, and other local public agencies, participation in the programs to be administered by the Department depends on State enabling legislation. Furthermore, the committee foresees an entire new climate developing in our State governments for coping with community developmental problems which increasingly cut across municipal and county lines. The time has come when Federal, State, and local governments should each organize their own governmental offices concerned with community development in such a manner as to increase the degree of coordination which is possible within each level of government and among all three levels of government.

In furtherance of the increased tendency among the States to work in true cooperation with local governments and the Federal Government in dealing with community development problems, the committee has adopted an amendment to section 3(b) of the bill expressly providing for cooperation between the Secretary and State governments. Under this amendment, the Secretary would, among his responsibilities, consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and with respect to State programs for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs.

Problems of mass transportation

The problems of urban mass transportation are, of course, an integral part of overall community development problems. More so than in the case of many other forms of community facilities, the location of highways, buslines, subway lines, and commuter railroad branches often determines the pattern of urban growth. In recognition of this fact, the committee thought it helpful to make specific reference in the "Declaration of Purpose" to the encouragement of the solution of problems of urban mass transportation.

SECTION-BY-SECTION SUMMARY

Short title

Section 1 provides that the act would be cited as the "Department of Housing and Urban Development Act."

Declaration of Purpose

Section 2 sets forth the purpose of the bill and that the Congress finds that establishment of an executive department is desirable to carry out that purpose.

Congress would declare that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out the purpose, Congress would find that establishment of an executive department is desirable to (1) achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; (2) assist the President in achieving maximum coordination of Federal activities which have a major effect upon urban, suburban, or metropolitan development; (3) encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action (including promotion of interstate, regional, and metropolitan cooperation); (4) encourage the maximum contributions that may be made by private homebuilders and mortgage lenders to housing, urban development, and the national economy; and (5) provide for full consideration, at the national level, of the needs and interests of the Nation's communities and their people.

Establishment of Department—Responsibilities of the Secretary

Section 3(a) establishes the Department of Housing and Urban Development and provides that it would be headed by a Secretary of Housing and Urban Development, who would be appointed by the President with Senate confirmation.

The Department would be administered under the supervision and direction of the Secretary. The Secretary would receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. (At present, under sec. 303(a) of the Federal Executive Salary Act of 1964, the Secretaries of departments receive \$35,000 per annum.)

Section 3(b) directs the Secretary, among his other responsibilities, to advise the President with respect to Federal programs and activities relating to housing and urban development; to develop and recommend to the President policies for fostering the orderly growth and

development of the Nation's urban areas; to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; to provide technical assistance and information (including a clearinghouse service) to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; to consult and cooperate with State governments on State programs which assist communities in solving urban problems and which encourage regional cooperation in urban and metropolitan planning and development; to encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and local urban development activities; to encourage private enterprise to serve as large a part of the Nation's housing and urban development needs as it can and cooperate fully with private enterprise; and to conduct continuing studies of housing and urban development problems.

Section 3(c) provides that nothing in the bill shall be construed to deny or limit the benefits of any program, function, or activity to any community on the basis of its population or corporate status, except as may be expressly provided by law.

Under Secretary and other officers and offices

Section 4(a) provides that there shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, all of whom would be appointed by the President and confirmed by the Senate. These officers would perform the functions, powers, and duties prescribed by the Secretary. They would receive the same compensation as the under secretaries, assistant secretaries, and general counsels of other departments. (At present, under sec. 303(c) of the Federal Executive Salary Act of 1964, under secretaries receive \$28,500 per annum, and under sec. 303(d) of that act, assistant secretaries and general counsels receive \$27,000 per annum.) One of the assistant secretaries would be designated to administer, under the Secretary's supervision and direction, departmental programs relating to the private mortgage market.

Section 4(b) provides that there shall be in the Department an Assistant Secretary for Administration who would be appointed by the Secretary with the approval of the President. The Assistant Secretary would receive the same compensation as is provided by law for assistant secretaries for administration of executive departments (\$26,000 per annum). He would perform the functions, powers, and duties prescribed by the Secretary.

Section 4(c) provides that there shall be in the Department an Office of Urban Program Coordination headed by a Director appointed by the Secretary. This Office would assist the Secretary in carrying out his responsibilities to the President with respect to achieving coordination of the various Government programs which have a major impact on community development. The Director, at the Secretary's request, would study urban problems and make recommendations concerning the administration of Federal programs affecting such problems. The Director would also maintain liaison with Federal departments and agencies and consult with State, local, and regional officials.

Transfers to Department

Section 5(a) transfers to the Secretary all the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration, and the functions, powers, and duties of the heads and other officers and offices of those agencies. These include programs of the Housing Agency carried out through the Urban Renewal Administration and the Community Facilities Administration and urban mass transportation programs.

Section 5(b) transfers the Federal National Mortgage Association, together with its functions, powers, and duties, to the Department. The Secretary of the Department would be vested with the functions, powers, and duties of the Housing and Home Finance Administrator with regard to FNMA. The Secretary would therefore become the Chairman of the Board of Directors of FNMA. FNMA would be an entity within the Department, and the rights and interests of the owners of outstanding common stock issued under the FNMA Charter Act would not be affected by the transfer.

Section 5(b) would also repeal language in section 308 of the FNMA Charter Act (12 U.S.C. 1723), which was superseded by a subsequent provision in the Federal Executive Salary Act of 1964. Section 308 provided that the President of FNMA receive compensation at the rate established for the heads of the constituents of the Housing and Home Finance Agency. The Federal Executive Salary Act of 1964 listed the salary for the President of FNMA separately. Under the provisions of section 5(b) of the bill the separate listing in the salary act would be repealed, and the President of FNMA would be one of the six positions provided in section 7(c) of the bill with compensation at the annual rate applicable to level V of the Federal executive salary schedule provided by the Executive Salary Act of 1964 (\$26,000).

Section 5(c) would direct the President to undertake studies of the organization of housing and urban development programs within the Federal Government and to provide Congress with the results of such studies together with recommendations regarding the possible transfer of functions and programs to or from the Department.

Conforming amendments

Section 6(a) would amend section 19(d)(1) of title 3 of the United States Code to place both the Secretary of Health, Education, and Welfare, and the Secretary of Housing and Urban Development in the line of succession to the Office of the President of the United States. They would be eligible to act as President only if the Vice President, Speaker of the House, President pro tempore of the Senate, and the heads of other executive departments having precedence over them by law are unable to serve as President.

Sections 6(b) and 6(c) are technical provisions which would extend to the new Department the provisions of title IV of the Revised Statutes, except to the extent inconsistent with the bill. Those provisions deal with such matters as departmental vacancies, regulations, duties of clerks, details and employment of personnel, oaths, subpenas, and witness fees.

Administrative provisions

Section 7(a) provides that all the personnel, liabilities, and resources, including funds, property, and records available in connection with the functions transferred by section 5 to the Department, are transferred with the respective functions.

Section 7(b) provides that no transfers of functions may be made within the Department with respect to the secondary market operations of the Federal National Mortgage Association unless the Secretary finds such transfers would not adversely affect the rights and interests of the owners of FNMA common stock.

Section 7(c) would authorize the Secretary to appoint and fix the compensation of Department personnel and prescribe their duties. The law applicable to the Federal civil service would apply to employees of the Department. The Secretary further would be authorized to fix the compensation for not more than six positions at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the 1964 Executive Salary Act (\$26,000).

Section 7(d) permits the Secretary to delegate any of his functions to such officers and employees of the Department as he may designate and to authorize successive redelegations of functions he has delegated. The Secretary is also authorized to prescribe necessary rules and regulations. This subsection repeals a portion of section 101(c) of the Housing Act of 1949, as amended, (42 U.S.C. 1451(c)), so that the Secretary could delegate or redelegate authority to (1) approve the workable program of a locality for dealing with its overall problems of slums and blight, (2) certify that Federal assistance to urban renewal work enumerated under section 101(c) may be made available to a community, and (3) determine that the relocation requirements of section 105(c) of the Housing Act of 1949 have been met.

Section 7(e) authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed \$100 per diem for individuals.

Section 7(f) authorizes the Secretary to establish a working capital fund, similar to those in other departments, for operating various common administrative services in the Department such as supply, messenger, mail, telephone, space, library, and reproduction services. The revolving fund would be financed through appropriations, and charges against the agencies and offices in the Department for which services are performed.

Section 7(g) directs the Secretary to have a Department seal made and provides for judicial notice of the seal.

Annual report

Section 8 requires the Secretary to make an annual report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

Savings provisions

Section 9(a) would provide that no cause of action by or against any agency or officer whose functions are transferred by the bill would abate by reason of the new act, and that such causes of action could be asserted by or against the United States or any appropriate official of the new Department.

Section 9(b) provides that any pending litigation or other proceeding by or against any agency or officer whose functions are transferred by the bill would not abate by reason of the new act, and also provides for appropriate substitution of successor parties.

Section 9(c) provides that, except as expressly provided in the bill, all powers and authorities otherwise existing would not be affected by the bill. All rules, regulations, and orders issued under applicable law prior to the effective date of the bill would continue in effect unless modified or rescinded by the Secretary or other legally authorized officer or office of the Department. References in other Federal laws to the Housing and Home Finance Agency, or to any officers, office, or agency therein, except the FNMA and its officers, would be deemed to mean the Secretary. This subsection also provides that the positions and agencies (HHFA, FHA, and PHA, and their heads and officers) transferred under section 5(a) of the bill would lapse.

Separability

Section 10 provides a standard separability clause.

Effective date and interim appointments

Section 11(a) provides that the act would take effect 60 days from the date of its approval, or on such earlier date as the President may specify. However, in the interim, and any time after approval of the act, the President could nominate and the Senate could confirm the Department's officers. The Assistant Secretary for Administration could also be appointed during the interim period by the Secretary with the approval of the President. Such officers would not enter on duty until the act takes effect generally.

Section 11(b) makes provision for designation by the President of interim officers, as may be necessary, for a 60-day period immediately after the effective date of the act.

MAJOR FEDERAL DEVELOPMENTS AFFECTING HOUSING AND URBAN DEVELOPMENT

This summary outlines the major events which, over the last three decades, have led to the establishment of a single point of responsibility for the supervision and coordination of the Government's principal housing and urban development programs.

The depression years

Although there are isolated instances of Federal concern over housing and related problems which go back 50 years and more, the substantial development of the Government's interest in this field did not occur until the 1930's.

The President's Conference on Homeownership in 1931 undertook an extensive study of housing and its financing. There were enacted during the ensuing prewar years:

1932: The Home Loan Bank Act which established the Federal Home Loan Bank System under a Federal Home Loan Bank Board.

1933: The Homeowners Loan Act, which established the Homeowners Loan Corporation for the relief of distressed homeowners and lending institutions.

1934: The National Housing Act, which—

Established the Federal Savings and Loan Insurance Corporation under the Federal Home Loan Bank Board.

Established the Federal Housing Administration to administer the title I program of insurance for home improvement and the title II program of mortgage insurance for small homes and rental housing projects.

Authorized the chartering of national mortgage associations to provide a secondary mortgage market. The Federal National Mortgage Association was originally chartered under this authority.

1937: The U.S. Housing Act of 1937, which created the U.S. Housing Authority in the Department of the Interior to administer a program of federally aided low-rent public housing.

1939: Reorganization Plan No. 1 of 1939, which transferred the U.S. Housing Authority to the Federal Works Agency; and transferred the Federal Home Loan Bank Board and the Federal Housing Administration to the Federal Loan Agency.

In the depression years various emergency relief acts were also enacted, under which experimental public housing programs were undertaken by the Public Works Administration, the Subsistence Homesteads Division of the Department of Agriculture, and the Resettlement Administration.

The defense and war period

During the defense and war periods of World War II, housing was viewed as an essential component of the war production effort. This period saw the following developments in housing legislation and organization:

1940: Authorization for the U.S. Housing Authority to construct projects for defense workers and for the Army and Navy to build emergency housing for defense and military personnel.

Appointment in July 1940 of a Defense Housing Coordinator, attached to the National Defense Advisory Committee and having only advisory powers.

The Lanham Act which authorized the construction of publicly financed war housing by the Federal Works Agency.

1941: Establishment in January 1941 of a Division of Defense Housing Coordination in the Office for Emergency Management, with vague and indefinite powers of coordination.

Title VI of the National Housing Act, which laid the basis for FHA-insured privately financed war housing.

1942: Establishment of the National Housing Agency by Executive Order 9070 in February 1942. This consolidated most of the Federal housing programs into three constituents: The Federal Home Loan Bank Administration, Federal Public Housing Authority, and Federal Housing Administration. The National Housing Administrator reported directly to the President.

1946: Establishment of the Office of the Housing Expediter in 1946 to administer the veterans' emergency housing program. The positions of Housing Expediter and National Housing Administrator were combined from February 1946 to January 1947, when they were again separated.

The postwar period

The Executive order which set up the National Housing Agency was issued under war powers and would have ceased to be effective 6 months after the legal termination of the war. The need for a coordinated Federal approach to housing assistance was, however, emphasized by the severe national housing shortage which existed after the war.

As this need began to be met, the emerging problems of the central cities came into focus as one of major consequence to urban and metropolitan area development and to the entire Nation.

Important steps in the postwar period which affected the position of HHFA as the focal center for national planning and action on housing and community development problems generally were—

1947: Establishment of the Housing and Home Finance Agency by Reorganization Plan No. 3 of 1947 as a permanent independent agency reporting to the President. The plan established as constituent agencies of HHFA the Federal Housing Administration, the Public Housing Administration and the Home Loan Bank Board.

1948: Authorization for a housing research program in the Housing Act of 1948.

Authorization of FHA mortgage insurance for cooperative housing.

1949: Enactment of the slum clearance and redevelopment program and of an extended low-rent public housing program in the Housing Act of 1949. This act also contained a declaration of national housing policy and broadened the scope of the housing research program.

1950: Transfer to HHFA by Reorganization Plan Nos. 17, 22, and 23 of 1950 of the program of advances for public works planning and the Lanham Act war public works program from the General Services Administration; of the Federal National Mortgage Association from RFC; and of the prefabricated housing loan program from RFC.

Enactment of the college housing loan program.

1951: Assignment to HHFA of the defense housing and community facilities and services program, designed to provide housing and community facilities for defense activities stimulated by the Korean conflict.

1953: Recommendations of the President's Advisory Committee on Government Housing Policies and Programs, from which most of the provisions of the Housing Act of 1954 evolved.

1954: The Housing Act of 1954, which broadened the approach to slum clearance to include rehabilitation and conservation, authorized the special urban renewal sections 220 and 221 FHA insurance programs, instituted the workable program for community improvement as a prerequisite to participation in certain Federal programs, and established the urban planning assistance program.

Establishment, by an order of the Administrator, of the Community Facilities Administration and the Urban Renewal Administration. These new constituents had previously been divisions in the Office of the Administrator.

Enactment of the Federal National Mortgage Association Charter Act, which rechartered FNMA and provided the basis for the eventual transfer of the Association's secondary market operations to a privately owned and financed corporation.

The past decade

1955: Enactment of a new program for public facility loans, to be administered by HHFA.

Separation of the Federal Home Loan Bank Board from HHFA, and its establishment as an independent executive agency.²

1956: Authorization of a program of studies on problems of housing need, demand, and supply.

Enactment of special programs designed to assist in providing housing for elderly persons, including special authorities and priorities under the PHA low-rent public housing program.

1957: Transfer by Reorganization Plan No. 1 of 1957 of the RFC public agency loan portfolio to HHFA for liquidation. The mortgages held by RFC as a result of loans made under the programs of the RFC Mortgage Co., and the Defense Homes Corporation had been transferred to HHFA for liquidation in 1954.

1959: Enactment of FHA mortgage insurance programs for rental units and nursing homes for the elderly and a program of direct loans for housing for the elderly.

1961: The Housing Act of 1961, which—

Assigned to HHFA new programs to assist urban mass transportation through loans for facilities and equipment and grants for comprehensive planning and for demonstration projects.

Enacted a new program of grants to help localities acquire permanent open space land.

Provided for new FHA programs for home improvement and rehabilitation and for experimental housing, and a new mortgage insurance program for displaced families and other low- and moderate-income families.

Reduced the interest rate for public facility loans to small communities and authorized a technical advisory service to such communities.

Authorized liberalized aids to depressed areas participating in the urban renewal and public facility loan programs, in addition to provision for special programs authorized in the Area Re-development Act.

Authorized a program of demonstration projects for housing for low-income persons and families.

1964: The Urban Mass Transportation Act of 1964, which authorized HHFA to make loans and grants for facilities and equipment to assist urban mass transportation, and to undertake or make grants for research and demonstration projects.

² Testimony was presented to your committee recommending that S. 1599 be amended to provide for the transfer of the FHLBB to the Department of Housing and Urban Development, in view of the fact that savings and loan associations assisted by the Board are an important source of housing finance. Your committee did not accept this recommendation. The Congress established the FHLBB as an independent agency on the basis that its functions were to a great extent supervisory, regulatory or quasi-judicial. In view of the relative recency of this considered determination by the Congress, and testimony against the recommendation by the Budget Bureau Director, and others, your committee determined that the matter should not be reopened.

The Housing Act of 1964, which authorized—

A new program of low-interest rate loans for rehabilitation in urban renewal areas.

New programs of aids for the handicapped, including loans for housing, grants for demonstrations of new means of providing housing, admission to low-income public housing, and a broadened FHA mortgage insurance program.

Mortgage insurance for nonprofit nursing homes.

A program of grants for State and local training and research in community development and for fellowships in city planning and urban studies.

A new type of urban renewal project which may consist entirely or substantially of a program of intensive code enforcement, and strengthened workable program requirements for minimum standards housing code and code enforcement.

Urban renewal projects involving the acquisition and development of air rights.

FNMA to manage a trust which sells to private investors participations in a pool of Treasury financed mortgages.

SUMMARY OF THE ORGANIZATION AND MAJOR FUNCTIONS OF THE HOUSING AND HOME FINANCE AGENCY

The Housing and Home Finance Agency was created by Reorganization Plan No. 3 of 1947. It consists of—

A. Office of the Administrator.

B. Constituent agencies:

1. Federal Housing Administration: A constituent agency by virtue of Reorganization Plan No. 3 of 1947.

2. Public Housing Administration: A constituent agency by virtue of Reorganization Plan No. 3 of 1947.

3. Federal National Mortgage Association: A constituent agency by virtue of Housing Act of 1954.

C. Constituent units:

1. Community Facilities Administration: A constituent unit by virtue of Administrator's Order of December 23, 1954.

2. Urban Renewal Administration: A constituent unit by virtue of Administrator's Order of December 23, 1954.

A. Office of the Administrator

Headed by Administrator, whom President appoints with Senate confirmation.

1. Coordinates work of constituent agencies and units.
2. Studies national housing needs and prepares recommendations to the President and Congress.
3. Carries out a program of urban studies and housing research.

4. Approves programs developed by local communities for preventing and eliminating slum areas. Certifies that Federal aids of urban renewal are available.

5. Administers a program of grants and loans to assist urban mass transportation, and a program of grants for urban mass transportation research and demonstration projects.

6. Administers a program of grants to public or private organizations to carry out demonstrations of new methods of improving low-income housing and housing for the handicapped.

Operations in the field are carried out by seven HHFA regional offices, headed by regional administrators appointed by the Administrator. These offices administer URA and CFA programs in the field, as well as activities of the Office of the Administrator.

B. Constituent agencies

1. *Federal Housing Administration*.—Headed by Federal Housing Commissioner, whom President appoints with Senate confirmation.

(a) Insures mortgages on private homes, multifamily rental housing projects, cooperative housing, military housing, nursing homes, housing for the aged and handicapped, housing in urban renewal areas, and housing for persons displaced by urban renewal activities.

(b) Insures loans for property rehabilitation as well as repair and improvement.

In connection with the foregoing:

(i) Determines minimum property standards,

(ii) Analyzes local housing markets, and

(iii) Makes appraisals, land surveys, and technical studies.

Operations in the field are carried out through 76 insuring offices and 6 multifamily housing offices, reporting to FHA headquarters officials.

2. *Public Housing Administration*.—Headed by Public Housing Commissioner, whom President appoints with Senate confirmation.

Administers the federally aided low-rent public housing program, authorized by the U.S. Housing Act of 1937, as amended.

In connection with this program:

(i) Makes, or backs up, loans to local housing authorities to help finance development and construction of such housing, and

(ii) Makes annual contributions to local housing authorities so that rents may be kept at levels within the means of low-income tenants.

Operations in the field are carried out through seven regional offices reporting to PHA headquarters officials.

3. *Federal National Mortgage Association*.—Policy direction is by five-member Board of Directors. Housing and Home Finance Administrator is Chairman of the Board. He appoints other members, as well as President and other executive officers.

(a) Under its secondary market operations, FNMA:

(i) Buys and sells FHA and VA home mortgages to maintain an effective secondary (resale) market for these mortgages and thereby improve distribution of home mortgage investment capital.

(ii) Requires those from whom it purchases mortgages to subscribe to its common stock, with a view toward eventual transfer of its assets and liabilities to stockholders.

(b) Under its special assistance functions (on specific authorization by President or Congress), FNMA:

(i) Buys and sells selected types of home mortgages for which established financial facilities are inadequate.

(ii) Uses its authority to retard or stop a decline which threatens materially the stability of a high-level national economy.

(c) Under its management and liquidating functions, FNMA:

(i) Manages and liquidates mortgages acquired by it under contracts made before November 1, 1954.

(ii) Purchases, services and sells mortgages offered to it by officers of the Housing and Home Finance Agency.

(iii) Manages a trust which sells to private investors participations in a pool of Treasury-financed mortgages.

Operations in the field are carried out through five agency offices and a New York sales office.

C. Constituent units

1. *Community Facilities Administration*.—Headed by Community Facilities Commissioner, appointed by Administrator. Senate confirmation not required.

(a) Makes loans to State and local governments for building essential community facilities, including sewer and water facilities.

(b) Makes interest-free advances to communities for planning public works.

(c) Supervises school construction (under delegation from HEW) for which Office of Education has provided Federal aid.

(d) Supervises construction of academic facilities (under delegation from HEW) for which Office of Education has provided Federal aid.

(e) Makes loans to higher educational institutions for student and faculty housing.

(f) Makes loans to public and nonprofit hospitals for housing for student nurses and interns.

(g) Makes loans to nonprofit corporations to build rental housing for the elderly and handicapped.

2. *Urban Renewal Administration*.—Headed by Urban Renewal Commissioner, appointed by Administrator. Senate confirmation not required.

(a) Makes loans and grants to localities to plan and carry out slum clearance and urban renewal programs.

(b) Makes grants to State and local planning agencies for comprehensive planning.

(c) Makes grants to public bodies for projects which demonstrate improved methods for slum clearance and urban renewal.

(d) Makes grants to public bodies to assist in programs to acquire undeveloped land for preservation and use as open spaces.

Field operations for Community Facilities Administration programs and Urban Renewal Administration programs are carried out through the HHFA regional offices, which also carry out field activities of the Office of the Administrator.

CRITERIA FOR ESTABLISHMENT OF AN EXECUTIVE DEPARTMENT

The committee is aware that there are no exact criteria that can be easily or mechanically applied for determining at which stage of its development an agency or group of functions may merit departmental status. However, as the Director of the Bureau of the Budget pointed out in his testimony, the Congress has generally applied

certain pragmatic tests in considering proposals to establish new executive departments. These tests have related primarily to the (1) permanence, (2) size and scope, (3) interrelatedness, (4) complexity, and (5) national significance of the programs to be administered.

Departmental status has been given to those agencies which—

1. Administer a wide range of permanent and complex programs directed toward a common purpose of national importance, and

2. Are concerned with policies and programs requiring frequent Presidential direction and representation at the highest levels of Government.

The President has concluded that the proposed Department of Housing and Urban Development clearly meets each of these tests.

The committee agrees with this conclusion. A reading of the sections of this report which describe the major Federal developments affecting housing and urban development and the major functions of the Housing and Home Finance Agency reveals that the programs involved meet each of the customary criteria for the establishment of the new Department.

For example, while the detailed provisions of the enabling laws which cover the various programs of the Housing and Home Finance Agency and its constituent agencies have been frequently amended throughout the years, the basic programs have gained widespread and bipartisan acceptance. Rarely, if ever, is a voice now heard to advocate the repeal of the Federal Government's basic programs of mortgage insurance for private housing; or secondary market support for privately financed home mortgages; or special aids for housing for low-income families, or for urban renewal, or for the planning and provision of essential local public facilities. Such criticism as is heard of Federal programs in these fields runs to matters of detail. The Congress has time and again given clear indication that it considers these programs permanent; and that statutory expiration dates and dollar limitations on authorizations are merely the devices by which the Congress very properly exercises its traditional function of periodic review so that it can perfect the laws from time to time.

Nor can anyone familiar with the functions that would be transferred to the new Department seriously question their vast size, scope, interrelatedness and complexity. For example, the proposed Department would encompass the mortgage insurance programs of the FHA, including special-purpose mortgage insurance programs designed to assist in urban renewal development and urban renewal relocation. FHA's programs are thus closely interrelated with the urban renewal programs being transferred to the Department. FHA's mortgage insurance program for housing for the elderly complements the housing program for the very low-income elderly who are eligible for low-rent public housing and also complements the direct loan program to provide rental housing for the elderly of moderate income. The Federal National Mortgage Association provides not only a secondary mortgage market for regular FHA sales and rental housing, but also special secondary market support for special purpose FHA-insured mortgages, including those financing urban renewal housing, cooperative housing and military housing.

The major housing and urban renewal programs are served by other community development programs to be transferred to the Department—including programs of assistance to localities for the planning and construction of specific public works, such as water and sewer facilities. More recently the Congress has enacted programs of Federal assistance for preserving open spaces in our urban areas and for mass transportation. Federal grants would be available, under legislation first enacted in 1954, from the new Department to enable State and local planning agencies to prepare comprehensive local and metropolitan development plans. Congress has made such local plans or planning, whether federally aided or not, a prerequisite to approval of projects under the low-rent housing, urban renewal, open space, and mass transportation programs. Examples such as these can be multiplied many times over, verifying the great scope, interrelatedness and complexity of the programs for which the new Department would be responsible.

It is clear, too, that the programs of the new Department have a tremendous impact on the national well-being of our people. Our day-to-day living conditions and the very quality of our lives are largely determined by the quality of our homes and our neighborhoods. All the planning, housing, urban renewal and other community development programs of the new Department would be focused on assisting in the provision of good housing in good neighborhoods in well-planned communities with adequate open space and adequate mass transportation. Implicit in all the Federal laws that would be administered by the new Department is the recognition that there cannot truly be a good urban home unless it is in a good neighborhood; and that good neighborhoods can neither be created, nor long retain the qualities that make them good, unless they are part of a well-planned community and served by adequate community facilities. Thus the programs are directed toward a common purpose of major national importance.

Not only do the programs that would be assigned to the new Department have a major direct impact on the health and well-being of our people, but they have a tremendous impact on the Federal budget and on the entire national economy. As of the beginning of fiscal year 1965, the financial involvement of the Federal Government in all of the programs that would be transferred to the new Department was estimated at about \$67.5 billion. Housing and its related community facilities constitute a significant share of our gross national product, and since World War II have accounted for a larger share of the net increase in investment than any other economic activity. Furthermore, homebuilding, which is so greatly influenced by Federal housing programs and by general Federal fiscal policies, is a major industry which affects the entire economy more than through its own expenditures. It acts as a multiplier in generating income. For every man working on a residential construction site one other is engaged elsewhere in producing the countless items of material and equipment which go into the structure. Also, a new home generates many purchases of household equipment and furnishings.

Clearly, too, the activities of the proposed Department require attention and direction and representation at the highest level of Government. By way of example, the fiscal impact of these programs must be meshed with Federal fiscal policy, both in terms of overall

objectives and in terms of day-to-day operations. It is essential that the debt management activities of the Treasury Department be coordinated with the secondary mortgage market operations of the Federal National Mortgage Association and with a multitude of other Federal housing activities. Similarly, programs assigned to the new Department must be related to and coordinated with the programs being carried on by other agencies of the Federal Government which affect urban development. These include, to mention only some, Federal highway programs administered within the Department of Commerce, water and air pollution programs administered within the Department of Health, Education, and Welfare, and outdoor recreation and conservation programs administered within the Department of the Interior.

RECAPITULATION—WHY A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IS NEEDED

1. The urban population of the United States is expanding at an explosive rate. When the Constitution was adopted only 5 percent of the population was in urban areas; today this has grown to 70 percent; and between today and the year 2000 more than 80 percent of our population increase will occur in urban areas.

2. The city dwellers will need homes and related public facilities and services. By 1975 we will need over 2 million new homes a year. We will need streets, and water and sewer facilities, and parks. We will also need transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

In the remainder of this century—less than 40 years—urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

3. This massive expansion in urban population has created, and will continue to create, enormous and complex problems for cities and towns, counties, and States. Their financial resources are often inadequate to provide the new facilities needed, and their political jurisdictions in many instances are too limited to permit areawide solutions. The Federal Government increasingly has been called upon to work as a partner with State, county, and local governments, and with private interests, in meeting the problems of housing and urban development.

4. The magnitude and impact of these problems, and of the Federal programs designed to help solve them, is now so great as to require administration at the highest levels of Government. Basic criteria for departmental status include (1) administration of a wide range of permanent and complex programs directed toward a common purpose of great national importance, and (2) concern with policies and programs requiring frequent Presidential direction and representation at the highest levels of the Government. The Department of Housing and Urban Development clearly meets these tests.

5. The housing and urban development programs now administered by the Housing and Home Finance Agency have the further characteristic of being closely interrelated both in their operation and in their impact. Departmental status and organization would make possible

the fullest coordination of these existing interrelated programs as well as the most effective dovetailing of new programs as they arise. It would provide the instrumentality for unscrambling HHFA's lines of authority, knitting together its programs with better cohesion, and giving the whole a unity of purpose and objectives. It would mean that the Secretary could be held more clearly responsible to the President and the Congress for the effective execution of these various programs.

6. There should be, within the Cabinet, the highest council of the Federal Government, a spokesman for one of the leading interests of the Nation: housing and urban development. Cabinet rank is necessary to give proper weight to those interests among the overall interests of the Federal Government. The reason given by President Lincoln for establishing a Department of Agriculture was that agriculture was a leading interest of the Nation.

7. There should be within the executive branch of the Government a focal point through which the policies affecting housing and urban development are coordinated and correlated with the programs and policies of other executive departments. Just as the Secretaries of such Departments as Treasury, Labor, and Health, Education, and Welfare speak for the President and exercise powerful influence with respect to matters of concern to them throughout the entire executive branch, so the new Secretary would be expected, in the language of the bill, to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

8. A Department of Housing and Urban Development will be in a better position to strengthen the critical partnership between the Federal Government and the States and cities. The fast-changing conditions springing from great urban growth no longer will permit any but the strongest, best-coordinated efforts of all levels of government. Indeed, many States and cities have already strengthened, or are considering strengthening, their principal offices having responsibilities for housing and urban development.

EXHIBIT A

MEMORANDUM OF LAW

A question has been raised whether the transfer of FHA functions to the Secretary of Housing and Urban Development, pursuant to the proposed legislation establishing a Department of Housing and Urban Development, would disrupt FHA mortgage insurance programs in those States whose statutes grant exceptional status to mortgage loans insured by the "Federal Housing Administration" or "Federal Housing Administrator," or words to that effect.

It is concluded, for the following reasons, that such transfer of FHA functions would not disrupt FHA mortgage insurance programs in those States, nor have any adverse effect on FHA activity:

1. As a matter of statutory purpose, State laws granting special status to FHA-insured loans are concerned with the function of FHA and the security of its insurance, not with the title of the particular agency or official involved.

2. On the basis of well-established principles of statutory construction and existing case law, the Secretary would be deemed to be the successor to the Federal Housing Commissioner, and loans insured by the Secretary would be deemed entitled to the same special status in those States that refer specifically to loans insured by the Federal Housing Administration or Federal Housing Administrator.

3. On the basis of prior experience involving similar transfers of functions of the Federal Housing Administrator, it is clear that such transfers would have no adverse effect in those States whose statutes refer only to loans insured by the Federal Housing Administrator.

1. *As a matter of statutory purpose, State laws granting special status to FHA-insured loans are concerned with the function of FHA and the security of its insurance, not with the title of the particular agency or official involved.*

There is a lack of uniform language used in the 50 States and the District of Columbia to characterize the Government-insured loans that are granted exceptional status (such as high loan-to-value ratio or long-term loan maturity). Thus, 17 States have statutes that refer specifically to loans insured by the Federal Housing Administrator, or words to that effect; 16 States refer to loans insured under the National Housing Act; and 18 jurisdictions (including the District of Columbia) refer in broad language to loans insured by an agency of the United States. In addition, a number of States maintain statutes containing combinations of the above designations.

These variations in language, however, represent only differences in drafting technique and not differences in underlying purpose or rationale. All of these statutes share one simple rationale—loans insured by an agency of the U.S. Government are entitled to special status.

The act creating the system of Federal mortgage insurance was entitled the "National Housing Act," and the official originally designated to administer that system was called the "Federal Housing Administrator." Consequently, a number of State statutes refer to loans insured under the National Housing Act, and others refer to loans insured by the Federal Housing Administrator.

Obviously, however, these designations in themselves possess no qualities sufficient to call forth the special status accorded to Government-insured loans. Rather, the sole concern is with the functions that these names denote—mortgage insurance by an agency of the U.S. Government, backed by a fund and a system that have demonstrated their soundness and reliability over more than 30 years.

The proposed legislation creating a Department of Housing and Urban Development would transfer the functions of mortgage insurance—intact and unchanged—to the Secretary (see sec. 5(a)). In addition, the personnel, as well as all assets, liabilities, contracts, property, records and funds would similarly be transferred along with the functions (see sec. 7(a)). All causes of action, suits, or other proceedings would continue unabated, and all rules and regulations would remain in full force and effect (see sec. 9). In short, all aspects of the FHA mortgage insurance programs, from the funds backing the insurance commitment to the operational personnel that administer the system, would remain unchanged. Only the official having ultimate responsibility and authority would be changed.

This is a matter that is clearly of no concern to the States that have granted special status to loans insured under the FHA system. Despite the fact that some State statutes refer to loans insured by the Federal Housing Administrator, it is beyond dispute that their concern is with the function of the mortgage insurance program and the security behind it, not with the title of the officer who administers the program.

2. *On the basis of well-established principles of statutory construction and existing case law, the Secretary would be deemed to be the successor to the Federal Housing Commissioner and loans insured by the Secretary would be deemed entitled to the same special status in those States that refer specifically to loans insured by the Federal Housing Administration or Administrator.*

It is an established rule of statutory construction that statutes should be construed with a view toward the objectives to be accomplished. By the same token, it is well established that statutes should not be construed so strictly as to defeat their objectives. (See, e.g., Sutherland, "Statutory Construction," sec. 5505.)

As the Supreme Court of North Carolina has observed:

The strict construction * * * must not squeeze out the lifeblood of the statute. * * * (*Causey v. Guilford County*, 135 S.E. 40 (N.C. 1926)).

In *Lehan v. North Main Street Garage, Inc.* (45 N.E. 2d 945, 947 (Mass. 1942)), the court stated:

If a liberal, even if not literally exact, interpretation of certain words is necessary to accomplish the purpose indicated by the words as a whole, such interpretation must be adopted rather than one which will defeat that purpose.

As noted above, there is no dispute that the clear concern of each of the State statutes granting special status to loans insured by the Federal Housing Administrator is with the security underlying the insurance and not with the title of the insuring official. On the basis of these well-established principles of statutory construction, a court could be expected, with confidence, to construe these statutes so as to carry out their obvious objective. To construe these statutes so narrowly as to rule out special status for loans insured by the Secretary, to whom the FHA functions have been duly transferred by act of Congress, would be to defeat that objective and, indeed, "to squeeze out the lifeblood of the statute."

In addition to the above principles of statutory construction, existing case law concerning analogous situations supports this result. In the area of private corporate mergers, for example, it is clear that where one corporation is merged into or absorbed by another, which continues its business, and where there is no change in the kind of business carried on, the new corporation is but the successor of the former concern and, among other things, is liable for its debts. (See, e.g., *Skirvin Operating Co. v. Southwestern Electric Co.*, 174 P. 1069, 1073 (Okla. 1918).)

The same principle applies to the merger or annexation of municipal corporations. In one case, for example, involving a question of the liability of the city of Manila in the Philippines for claims against the city as it had existed under Spanish sovereignty before cession to the United States, the Supreme Court of the United States stated:

There is not the slightest suggestion that the new corporation shall not succeed to the contracts and obligations of the old corporation (*Vilas v. Manila*, 220 U.S. 345, 360 (1911).)

The Court added:

The juristic identity of the corporation has been in no wise affected, and, in law, the present city is in every legal sense the successor of the old (*ibid.*).

By analogy, then, it can be inferred that the merger of FHA into the Department, together with all of its functions, property, personnel, assets, and liabilities, would cause no change in its juristic identity for the purposes of the State laws, and the Department would be deemed to be merely the legal successor to the Agency. By the same token, it can be inferred that statutory references to the Federal Housing Administrator would be deemed to include the Secretary, his legal successor.

Finally, *Chapman v. Huntingdon, W. Va. Housing Authority* (3 S.E. 2d 502 (W. Va. 1939)), is a case directly in point. In that case, a State statute delegated to local authorities the power to engage in "such other activities as may at any time, be embraced within said term (slum clearance) as used in the National Recovery Act." Later, by Executive order of the President, all funds, property, and employees of the Federal Emergency Administration of Public Works (created by the President pursuant to the National Recovery Act) were transferred to the U.S. Housing Authority, an agency created under the U.S. Housing Act. The Court held that the State statute included in its reference to the National Recovery Act the subsequent Federal statute creating the U.S. Housing Authority, to which the

functions of the Federal Emergency Administration of Public Works had been duly transferred. The Court said:

Under these circumstances, we are of the opinion that the U.S. Housing Act is supplementary to the National Industrial Recovery Act, within the meaning of the West Virginia Housing Act and should be considered in the construction of the last mentioned act" (at 512).

Thus, the Court recognized that although the State statute referred only to the National Recovery Act for purposes of slum clearance activities, the U.S. Housing Act was supplementary to the National Recovery Act for this purpose. The Court further recognized that the U.S. Housing Authority was the successor agency to the Federal Emergency Administration of Public Works, and that the funds, property, and employees of the latter had been duly transferred to it. On this basis, the reference to the National Recovery Act in the West Virginia law was deemed to include in its reference the later Federal statute.

If the departmental bill is enacted, FHA functions will be duly transferred to the Secretary. The *Chapman* case strongly indicates that reference in State laws to the "Federal Housing Administrator," created under the National Housing Act, will be deemed to include the Secretary, to whom the FHA functions will have been duly transferred by a subsequent act of Congress.

3. On the basis of prior experience involving similar transfers of functions of the Federal Housing Administrator, it is clear that such transfers would have no adverse effect in those States whose statutes refer only to loans insured by the Federal Housing Administrator.

In 1947, President Truman submitted to the Congress Reorganization Plan No. 3, which established the Housing and Home Finance Agency. Pursuant to section 3 of that plan, it was provided:

The Federal Housing Administration shall be headed by a Federal Housing Commissioner. * * * There are transferred to said Commissioner the functions of the Federal Housing Administrator.

Thus, the official charged with the responsibility and authority for administering FHA's programs of mortgage insurance was changed once before—from "Federal Housing Administrator" to "Federal Housing Commissioner." In fact, for the last 17 years, there has been no such official as the Federal Housing Administrator. What effect did this change have on the vitality of FHA programs?

If the contention that the transfer of FHA functions from the Federal Housing Commissioner to the Secretary would disrupt FHA programs has any validity, the period immediately following the adoption of Reorganization Plan No. 3 in 1947 should have witnessed a sharp overall decline in FHA activity, at least in those States whose statutes refer specifically to the Federal Housing Administrator. An examination of the facts, however, reveals a contrary effect.

For example, FHA activity in 1947 under its home mortgage programs consisted of 150,000 mortgages in amounts totaling \$895 million. In 1948, the first full year under the reorganization plan, FHA activity under the same programs more than doubled—to 318,000 mortgages totaling \$2.1 billion.

In California, which is one of the States whose statutes refer specifically to the "Federal Housing Administrator," FHA activity in 1947 under the small home programs consisted of 12,000 mortgages in amounts totaling \$85 million. In 1948, the first full year under the reorganization plan, FHA activity in California under the same programs had leaped to approximately 46,000 mortgages totaling \$354 million. In dollar amount, California was responsible for more than one-sixth of all home mortgage insurance written by FHA during the year.

It is clear from these figures, and even clearer from the absence of any complaints in 1947, that the transfer of FHA functions from the Federal Housing Administrator to the Federal Housing Commissioner, pursuant to Reorganization Plan No. 3, caused not the slightest disruption—either nationwide or in those States whose laws refer specifically to the "Federal Housing Administrator." Furthermore, not one of these States found any need to amend its statute to reflect the change in Federal law. They have had 17 years to consider the matter.

On the basis of this prior experience, we can infer with some confidence that the transfer of FHA functions from the Federal Housing Commissioner to the Secretary would also have no effect whatsoever on the continued vitality of the FHA programs in those States.

MILTON P. SEMER,
General Counsel,
Housing and Home Finance Agency.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

NATIONAL HOUSING ACT, AS AMENDED

* * * * *

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT

* * * * *

BOARD OF DIRECTORS

SEC. 308. (a) The Association shall have a Board of Directors consisting of five persons, one of whom shall be the Housing and Home Finance Administrator as Chairman of the Board, and four of whom shall be appointed by said Administrator from among the officers or employees of the Association, of the immediate office of said Administrator, or (with the consent of the head of such department or agency) of any other department or agency of the Federal Government. The Board of Directors shall meet at the call of its Chairman, who shall require it to meet not less often than once each month. Within the limitations of law, the Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall select and effect the appointment of qualified persons to fill the offices of President and Vice President, and such other offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties. [The basic rate of compensation of the position of President of the Association shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.] The members of the Board, as such, shall not receive compensation for their services.

FEDERAL EXECUTIVE SALARY ACT OF 1964

* * * * *

SEC. 303. (a) * * *

(e) Level V of the Federal Executive Salary Schedule shall apply to the following offices and positions, for which the annual rate of basic compensation shall be \$26,000:

* * * * *

[(94) President of the Federal National Mortgage Association.]

UNITED STATES CODE

TITLE 3—THE PRESIDENT

§ 19. Vacancy in offices of both President and Vice President; officers eligible to act

* * * * *

(d)(1) If, by reason of death, resignation, removal from office, inability, or failure to qualify, there is no President pro tempore to act as President under subsection (b) of this section, then the officer of the United States who is highest on the following list, and who is not under disability to discharge the powers and duties of the office of President shall act as President: Secretary of State, Secretary of the Treasury, Secretary of Defense, Attorney General, Postmaster General, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, *Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development.*

SECTION 158. REVISED STATUTES

(5 U.S.C. 1)

SEC. 158. The provisions of this title shall apply to the following executive departments:

* * * * *

Eleventh. The Department of Housing and Urban Development.

HOUSING ACT OF 1949

TITLE I—SLUM CLEARANCE AND URBAN RENEWAL

* * * * *

LOCAL RESPONSIBILITIES

SEC. 101(a) * * *

(c) No contract shall be entered into for any loan or capital grant under this title, or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to August 1, 1956, and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 or section 221(d)(3) of the National Housing Act, as amended, unless (1) there is presented to the Administrator by the locality a workable program for community improvement (which shall include an official plan of action, as it exists from time to time, for effectively dealing with the problem of urban slums and blight within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources

to eliminate, and prevent the development or spread of, slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program, and (2) on the basis of his review of such program, the Administrator determines that such program meets the requirements of this subsection and certifies to the constituent agencies affected that the Federal assistance may be made available in such community: *Provided*, That this sentence shall not apply to the insurance of, or commitment to insure, a mortgage under section 220 of the National Housing Act, as amended, if the mortgaged property is in an area referred to in clause (A) (i) of paragraph (1) of section 220(d) of the National Housing Act; **[And provided further**, That, notwithstanding any other provisions of law which would authorize such delegation or transfer, there shall not be delegated or transferred to any other official (except an officer or employee of the Housing and Home Finance Agency serving as Acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office) the final authority vested in the Administrator (i) to determine whether any such workable program meets the requirements of this subsection, (ii) to make the certification that Federal assistance of the types enumerated in this subsection may be made available in such community, or (iii) to determine that the relocation requirements of section 105(c) of this title have been met:**]** *Provided further*, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.



Calendar No. 520

89TH CONGRESS
1ST SESSION

S. 1599

[Report No. 536]

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1965

MR. RIBICOFF (for himself, MR. BREWSTER, MR. CLARK, MR. DODD, MR. DOUGLAS, MR. GRUENING, MR. HART, MR. JAVITS, MR. KENNEDY of New York, MR. LONG of Missouri, MR. MUSKIE, MR. PELL, MR. TYDINGS, and MR. WILLIAMS of New Jersey) introduced the following bill; which was read twice and referred to the Committee on Government Operations

AUGUST 2, 1965

Reported by MR. RIBICOFF, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To establish a Department of Housing and Urban Development,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Department of Housing
4 and Urban Development Act".

5 DECLARATION OF PURPOSE

6 SEC. 2. The Congress hereby declares that the general
7 welfare and security of the Nation and the health and living

1 standards of our people require, as a matter of national pur-
2 pose, sound development of the Nation's urban communities
3 and metropolitan areas in which the vast majority of its
4 people live and work.

5 To carry out such purpose, and in recognition of the in-
6 creasing importance of housing and urban development in
7 our national life, the Congress finds that establishment of an
8 executive department is desirable to achieve the best admin-
9 istration of the principal programs of the Federal Govern-
10 ment which provide assistance for housing and for the devel-
11 opment of the Nation's communities; to assist the President
12 in achieving maximum coordination of the various Federal
13 activities which have a major effect upon urban, suburban, or
14 metropolitan development; to encourage the solution of prob-
15 lems of housing, and urban development, *and mass transpor-*
16 *tation* through State, county, town, village, or other local
17 and private action, including promotion of interstate, re-
18 gional, and metropolitan cooperation; *to encourage the maxi-*
19 *imum contributions that may be made by vigorous private*
20 *homebuilding and mortgage lending industries to housing,*
21 *urban development, and the national economy;* and to pro-
22 vide for full and appropriate consideration, at the national
23 level, of the needs and interests of the Nation's communities
24 and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; *consult*

1 *and cooperate with State governments with respect to State*
 2 *programs for assisting communities in developing solutions*
 3 *to urban and metropolitan development problems and for*
 4 *encouraging effective regional cooperation in the planning and*
 5 *conduct of urban and metropolitan development programs*
 6 *and projects; encourage comprehensive planning by the*
 7 *State and local governments with a view to coordinating*
 8 *Federal, State, and local urban development activities; en-*
 9 *courage private enterprise to serve as large a part of the*
 10 *Nation's total housing and urban development needs as it*
 11 *can and develop the fullest cooperation with private enter-*
 12 *prise in achieving the objectives of the Department; and con-*
 13 *duct continuing comprehensive studies, and make available*
 14 *findings, with respect to the problems of housing and urban*
 15 *development.*

16 (c) Nothing in this Act shall be construed to deny or
 17 limit the benefits of any program, function, or activity
 18 assigned to the Department by this or any other Act to any
 19 community on the basis of its population or corporate status,
 20 except as may be expressly provided by law.

21 UNDER SECRETARY AND OTHER OFFICERS AND OFFICES

22 SEC. 4. (a) There shall be in the Department an Under
 23 Secretary, four Assistant Secretaries, and a General Counsel,
 24 who shall be appointed by the President by and with the
 25 advice and consent of the Senate, who shall receive compen-

1 sation at the rate now or hereafter provided by law for
2 under secretaries, assistant secretaries, and general counsels,
3 respectively, of executive departments, and who shall per-
4 form such functions, powers, and duties as the Secretary shall
5 prescribe from time to time. *One of the Assistant Secre-*
6 *taries shall be designated to administer, under the supervision*
7 *and direction of the Secretary, departmental programs re-*
8 *lating to the private mortgage market.*

9 (b) There shall be in the Department an Assistant
10 Secretary for Administration, who shall be appointed, with
11 the approval of the President, by the Secretary under the
12 classified civil service, who shall perform such functions,
13 powers, and duties as the Secretary shall prescribe from
14 time to time, and whose annual rate of compensation shall
15 be the same as that now or hereafter provided by or pur-
16 suant to law for assistant secretaries for administration of
17 executive departments.

18 (c) *There shall be in the Department an office to be*
19 *known as the Office of Urban Program Coordination, which*
20 *shall be headed by a Director, who shall be appointed by the*
21 *Secretary. Such Office shall assist the Secretary in carry-*
22 *ing out his responsibilities to the President with respect to*
23 *achieving maximum coordination of the programs of the vari-*
24 *ous departments and agencies of the Government which have*

1 a major impact on community development. In providing
2 such assistance, the Director shall make such studies of
3 urban problems as the Secretary shall request, and shall de-
4 velop recommendations relating to the administration of
5 Federal programs affecting such problems, particularly
6 with respect to achieving effective cooperation among the Fed-
7 eral, State, and local agencies concerned. Subject to
8 the direction of the Secretary, the Director shall, in car-
9 rying out his responsibilities, (1) establish and main-
10 tain close liaison with the Federal departments and agencies
11 concerned, and (2) consult with State, local, and regional
12 officials, and consider their recommendations with respect
13 to such programs.

14 TRANSFERS TO DEPARTMENT

15 SEC. 5. (a) Except as otherwise provided in subsection
16 (b) of this section, there are hereby transferred to and
17 vested in the Secretary all of the functions, powers, and duties
18 of the Housing and Home Finance Agency, of the Federal
19 Housing Administration and the Public Housing Administra-
20 tion in that Agency, and of the heads and other officers and
21 offices of said agencies.

22 (b) The Federal National Mortgage Association, to-
23 gether with its functions, powers, and duties, is hereby trans-
24 ferred to the Department. The next to the last sentence of
25 section 308 of the Federal National Mortgage Association

1 Charter Act and the item numbered (94) of section 303 (e)
2 of the Federal Executive Salary Act of 1964 are hereby re-
3 pealed, and the position of the President of said Association
4 is hereby allocated among the positions referred to in section
5 7 (c) hereof.

6 (c) *The President shall undertake studies of the organi-*
7 *zation of housing and urban development functions and pro-*
8 *grams within the Federal Government, and he shall provide*
9 *the Congress with the findings and conclusions of such*
10 *studies, together with his recommendations regarding the*
11 *transfer of such functions and programs to or from the*
12 *Department. Notwithstanding any other provision of this*
13 *Act, none of the functions of the Secretary of the Interior*
14 *authorized under the Land and Water Conservation Fund*
15 *Act of 1965 (78 Stat. 897) or other functions carried out*
16 *by the Bureau of Outdoor Recreation shall be transferred*
17 *from the Department of the Interior or in any way be limited*
18 *geographically unless specifically provided for by reorgani-*
19 *zation plan pursuant to provisions of the Reorganization Act*
20 *of 1949, as amended (79 Stat. 135) or by statute.*

21 CONFORMING AMENDMENTS

22 SEC. 6. (a) Section 19 (d) (1) of title 3 of the United
23 States Code is hereby amended by striking out the period at
24 the end thereof and inserting a comma and the following:

1 “Secretary of Health, Education, and Welfare, Secretary of
2 Housing and Urban Development.”

3 (b) Section 158 of the Revised Statutes (5 U.S.C. 1)
4 is amended by adding at the end thereof:

5 “Eleventh. The Department of Housing and Urban De-
6 velopment.”

7 (c) The amendment made by subsection (b) of this
8 section shall not be construed to make applicable to the
9 Department any provision of law inconsistent with this Act.

10 ADMINISTRATIVE PROVISIONS

11 SEC. 7. (a) The personnel employed in connection with,
12 and the assets, liabilities, contracts, property, records, and
13 unexpended balances of appropriations, authorizations, allo-
14 cations, or other funds held, used, arising from, or available
15 or to be made available in connection with, the functions,
16 powers, and duties transferred by section 5 of this Act are
17 hereby transferred with such functions, powers, and duties,
18 respectively.

19 (b) No transfer of functions, powers, and duties shall
20 at any time be made within the Department in connection
21 with the secondary market operations of the Federal Na-
22 tional Mortgage Association unless the Secretary finds that
23 the rights and interests of owners of outstanding common
24 stock issued under the Federal National Mortgage Associa-
25 tion Charter Act will not be adversely affected thereby.

1 (c) The Secretary is authorized, subject to the civil
2 service and classification laws, to select, appoint, employ,
3 and fix the compensation of such officers and employees,
4 including attorneys, as shall be necessary to carry out the
5 provisions of this Act and to prescribe their authority and
6 duties: *Provided*, That any other provision of law to the
7 contrary notwithstanding, the Secretary may fix the com-
8 pensation for not more than six positions in the Department
9 at the annual rate applicable to positions in level V of the
10 Federal Executive Salary Schedule provided by the Federal
11 Executive Salary Act of 1964.

12 (d) The Secretary may delegate any of his functions,
13 powers, and duties to such officers and employees of the
14 Department as he may designate, may authorize such suc-
15 cessive redelegations of such functions, powers, and duties
16 as he may deem desirable, and may make such rules and
17 regulations as may be necessary to carry out his functions,
18 powers, and duties. The second proviso of section 101 (c)
19 of the Housing Act of 1949 is hereby repealed.

20 (e) The Secretary may obtain services as authorized by
21 section 15 of the Act of August 2, 1946, at rates not to
22 exceed \$100 per diem for individuals.

23 (f) The Secretary is authorized to establish a working
24 capital fund, to be available without fiscal year limitation,
25 for expenses necessary for the maintenance and operation of

1 such common administrative services as he shall find to be
2 desirable in the interest of economy and efficiency in the
3 Department, including such services as a central supply
4 service for stationery and other supplies and equipment for
5 which adequate stocks may be maintained to meet in whole
6 or in part the requirements of the Department and its agen-
7 cies; central messenger, mail telephone, and other com-
8 munications services; office space; central services for docu-
9 ment reproduction and for graphics and visual aids; and a
10 central library service. In addition to amounts appropriated
11 to provide capital for said fund, which appropriations are
12 hereby authorized, the fund shall be capitalized by transfer
13 to it of such stocks of supplies and equipment on hand or
14 on order as the Secretary shall direct. Such fund shall be
15 reimbursed from available funds of agencies and offices in
16 the Department for which services are performed at rates
17 which will return in full all expenses of operation, including
18 reserves for accrued annual leave and for depreciation of
19 equipment.

20 (g) The Secretary shall cause a seal of office to be made
21 for the Department of such device as he shall approve, and
22 judicial notice shall be taken of such seal.

23 ANNUAL REPORT

24 SEC. 8. The Secretary shall, as soon as practicable after
25 the end of each calendar year, make a report to the Presi-

1 dent for submission to the Congress on the activities of the
2 Department during the preceding calendar year.

3 SAVINGS PROVISIONS

4 SEC. 9. (a) No cause of action by or against any agency
5 whose functions are transferred by this Act, or by or against
6 any officer of any such agency in his official capacity,
7 shall abate by reason of this enactment. Such causes of
8 action may be asserted by or against the United States or
9 such official of the Department as may be appropriate.

10 (b) No suit, action, or other proceeding commenced
11 by or against any agency whose functions are transferred
12 by this Act, or by or against any officer of any such agency
13 in his official capacity, shall abate by reason of the enact-
14 ment of this Act. A court may at any time during the
15 pendency of the litigation, on its own motion or that of any
16 party, order that the same may be maintained by or against
17 the United States or such official of the Department as
18 may be appropriate.

19 (c) Except as may be otherwise expressly provided in
20 this Act, all powers and authorities conferred by this Act
21 shall be cumulative and additional to and not in derogation
22 of any powers and authorities otherwise existing. All rules,
23 regulations, orders, authorizations, delegations, or other
24 actions duly issued, made, or taken by or pursuant to ap-
25 plicable law, prior to the effective date of this Act, by any

1 agency, officer, or office pertaining to any functions, powers,
2 and duties transferred by this Act shall continue in full force
3 and effect after the effective date of this Act until modified
4 or rescinded by the Secretary or such other officer or office
5 of the Department as, in accordance with applicable law,
6 may be appropriate. With respect to any function, power,
7 or duty transferred by or under this Act and exercised
8 hereafter, reference in another Federal law to the Housing
9 and Home Finance Agency or to any officer, office, or
10 agency therein, except the Federal National Mortgage Asso-
11 ciation and its officers, shall be deemed to mean the Secre-
12 tary. The positions and agencies heretofore established by
13 law in connection with the functions, powers, and duties
14 transferred under section 5 (a) of this Act shall lapse.

15 SEPARABILITY

16 SEC. 10. Notwithstanding any other evidence of the in-
17 tent of Congress, it is hereby declared to be the intent of
18 Congress that if any provision of this Act, or the application
19 thereof to any persons or circumstances, shall be adjudged by
20 any court of competent jurisdiction to be invalid, such judg-
21 ment shall not affect, impair, or invalidate the remainder of
22 this Act or its application to other persons and circumstances,
23 but shall be confined in its operation to the provision of this
24 Act, or the application thereof to the persons and circum-

stances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3 (a), 4 (a), and 4 (b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed, by and with the advice and consent of the Senate, shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act

A BILL

To establish a Department of Housing and Urban Development, and for other purposes.

By Mr. RIBICOFF, Mr. BREWSTER, Mr. CLARK,
Mr. DODD, Mr. DOUGLAS, Mr. GRUENING, Mr.
HART, Mr. JAVITS, Mr. KENNEDY of New
York, Mr. LONG of Missouri, Mr. MUSKIE,
Mr. PELL, Mr. TYDINGS, and Mr. WILLIAMS
of New Jersey

MARCH 25, 1965

Read twice and referred to the Committee on
Government Operations

AUGUST 2, 1965

Reported with amendments

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(DO NOT BE QUOTED OR CITED)

Issued August 9, 1965
For actions of August 6, 1965
89th-1st; No. 144

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HIGHLIGHTS: Senate committee voted to report bill to expand poverty program.

SENATE

1. **POVERTY.** The Labor and Public Welfare Committee voted to report (but did not actually report) with amendments H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964. p. D759
2. **HOUSING.** S. 1599, to establish a Department of Housing and Urban Development, was made the unfinished business. p. 18916
3. **STOCKPILING.** Agreed to without amendment H. Con. Res. 100, expressing the approval of Congress to the disposal of approximately 113,500 pounds of raw silk and approximately 969,500 pounds of silk noils from the national stockpile. p. 18913
4. **RECREATION.** A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H. R. 89, to authorize the establishment of the Delaware Valley National Recreation Area, Pa. and N. J. p. D759

5. NOMINATION. The Finance Committee voted to report the nomination of John W. Gardner to be Secretary of Health, Education, and Welfare. p. D759
6. FOREIGN TRADE. Sen. Hartke urged enactment of anti-dumping legislation to "provide a safeguard against injurious dumping for many domestic industries presently or potentially vulnerable" to unfair international trade practices. p. 18910
7. POVERTY. Sen. Dirksen criticized administration of the poverty program and inserted an article critical of the program in Ypsilanti, Mich. pp. 18914-6
8. LEGISLATIVE ACCOMPLISHMENTS. Sen. Gruening inserted an article on achievements in domestic legislation under President Johnson. p. 18926
9. POPULATION. Sen. Yarborough inserted several articles on "the dangers to mankind of unchecked population increase," including references to the possible shortage of food. pp. 18927-34
10. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the bill to establish a Department of Housing and Urban Affairs will be considered Tues., a bill to correct certain errors in the tariff schedules on Wed., and that the bill to expand the poverty program may be considered later in the week if reported out of committee. pp. 18916-7
11. ADJOURNED until Tues., Aug. 10. p. 18944

HOUSE

12. APPROPRIATIONS. The "Daily Digest" states that the Appropriations Committee voted to report (but did not actually report) "the military construction appropriation bill for fiscal year 1966." p. D759

ITEM IN APPENDIX

13. PERSONNEL. Speech in the House by Rep. Schisler favoring the bill which would provide equitable adjustments in the annuities of Federal civil service retirees and survivors. p. A4385

BILL INTRODUCED

14. PERSONNEL. S. 2374 by Sen. Scott, to amend the Administrative Expenses Act of 1946, as amended, to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for shortage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States; to Government Operations Committee. Remarks of author p. 18911

BILLS APPROVED BY THE PRESIDENT

15. VOTING RIGHTS. S. 1564, the voting rights bill, which includes authorization for the Civil Service Commission to appoint examiners, including Federal employees, to consider cases in which it is alleged that persons have been denied the right to vote on account of race or color. Approved Aug. 6, 1965 (Public Law 89-110).

For 4 full days, Roy remained silent and did some soul searching, chiefly while walking the streets of what was now an official poverty area. He didn't dispute the fact that there were a few scattered folks on those streets, as on almost all streets, who were not very well off. Roy wasn't opposed to the antipoverty program; he was all in favor of the Government helping poor people in any way it could.

Back in the depression, as a kid on a Tennessee farm, Roy Smith had eaten Government sowbelly the same as everyone around him was doing and been plenty glad to get it. He'd come a fair distance from that Tennessee farm, though. He'd been in the Marines in World War II and after the war had attended the University of Michigan on the GI bill. Then he'd worked in the automobile industry and, in 1959, had entered politics where he'd been quite successful. He is a moderate Republican and, along with George Romney, was one of the few members of his party to survive the 1964 Johnson landslide.

But Roy Smith had never forgotten the depression. If there was the slightest chance that any portion of that \$188,252 might eventually filter down to help folks who needed it, he certainly didn't want to ruin that chance.

For 4 straight evenings, at home, with his wife sensing a crisis and hushing his three children, he went over the proposed budget again and again. And absolutely nothing was really being promised there. Beneath all the long winded description of what might be done, the hard fact was that some nonteaching fellows at the University of Michigan were being given a good sized piece of public money to do with as they pleased—as a reward for branding his township a poverty area. On January 22, he finally telephoned the nearest newspaper and mentioned some of the falsities in the Institute report.

The local papers, published in the shadow of the powerful university, were extremely wary of the story. They mentioned only a few of Roy's charges, then answered them with institute statements that "some errors of detail in describing the physical elements and population statistics of the area did occur, but none of these errors was fundamental."

"Willow Village is, of course, not totally impoverished," Hyman Kornbluh was quoted as saying. "But it does contain pockets of poverty."

Smith couldn't help wondering if this was the same Kornbluh who'd sent him the report saying, "By almost any standards, Willow Village is an impoverished community." But press objectivity seemed to be picking up in direct ratio to the distance from Ann Arbor. "Federal Government says it's impoverished; area says it's thriving," the Detroit Free Press reported. And the little Redford Record put it even more bluntly: "U. of M. dreams up poverty ghost town." But it was a Detroit TV commentator, Larry Carino of WJBK, who got to the heart of the matter.

He made a very sensible suggestion: "Let the University of Michigan explain exactly what it intends to do with the \$188,000—or send it back with apologies."

But the institute parried even this thrust. "The program has not yet been spelled out," Hyman Kornbluh explained, "because the cardinal point of a demonstration project is to demonstrate that the community can assess its own needs." Whether the community had assessed a need for them or not, it was also announced that the hiring of a staff of about 12 would begin immediately.

Supervisor Roy Smith had understandably expected a cry of outrage to come from the folks who were being branded impoverished. But the issue had been so clouded and confused by academic doubletalk that only 10 people brought complaints to a township board meeting on February 2, and most of

these were merely ladies who were miffed because friends were phoning and offering to send them CARE packages. Furthermore, their young township clerk, Tilden R. Stumbo, kept urging them to wait and see.

"Sure, they got the grant by falsifying a document," he argued. "But some good could still come of the grant itself—new roads or parks."

Roy Smith could only hope that none of the youngsters who might play in such parks was listening to his elders' moral logic, and he said as much 2 days later when he got off a letter to Dr. Harlan Hatcher, president of the University of Michigan. After listing two pages of the fraudulent claims made in the institute report, then adding that this was only a sampling, that the entire report lacked reality, he invited Dr. Hatcher to tour the area with him at any time and make his own comparison. "We teach our children to tell the truth," he mentioned. "If funds have been received on the basis of false statements, those funds should be returned."

Word of the controversy had reached Washington, but there was still no hint that any investigation would be made. "We didn't force that money on those people," an Office of Economic Opportunity spokesman told newsmen. "They themselves asked for it. Four or five hundred of them formed this WRAND organization and requested the University of Michigan to apply for and administer the grant in their behalf."

Thus assured, the demonstration project proceeded as scheduled. The planting of the communal vegetable garden couldn't begin until the spring thaw, of course. But calling itself the WRAND Roundup, the "community newsletter," for which \$8,970 of antipoverty money had been allotted in the proposed budget, appeared immediately—with headlines saying "Who Says We're Impoverished," above a story insisting the grant was only an expression of admiration for local initiative. WRAND further explained on February 8, that the grant was needed because the designated area, although not really impoverished, was not being served by the Ypsilanti Community Chest. On February 9 WRAND announced that yesterday's press release was "in error" since the area had always been served by the community chest.

It seemed strange to Roy Smith, reading the next day's papers, that an organization of area residents could make such a mistake. But before he could carry this curious inconsistency to its inevitable conclusion, he was interrupted by something even stranger. Three gentlemen from the university were ushered into his office. One was introduced as a full dean. Another described himself as merely an observer and was actually, Roy later learned, a recognized authority on, of all things, syphilis research. The third, a plump man wearing the look of a fellow being forced to endure petty indignity, was the long-awaited Hyman Kornbluh.

Instead of discussing the matter in his office, Roy loaded the delegation into his 3-year-old Chevrolet and spent more than 2 hours touring every street of the alleged poverty area. He didn't run into any brush, but he did stop regularly to read aloud, sentences from the report for comparison with what lay outside the car windows. The dean made a gallant attempt at keeping the interview genial and friendly, under formidably difficult circumstances. Chain-smoking nervously, Mr. Kornbluh remained silent most of the time, as did the syphilis expert. Not until they'd returned to the township hall did Roy hear anything resembling an admission that the area wasn't a ghost town after all.

"Suppose instead of 'no' stores, we say 'few' stores?" Hyman Kornbluh offered then. "Suppose instead of 'no' facilities, we say 'inadequate' facilities?"

"Suppose you apologize to the people here and return the grant" Roy suggested instead. "If you can get another one by writ-

ing an honest report, the best of luck to you."

Kornbluh countered with the accusation that the whole affair was a political publicity stunt, asserted that he himself wouldn't be in politics for anything, and walked out. That was the last Roy Smith saw of him.

Roy Smith had some questionnaires made up to be circulated in the designated poverty area, requesting residents to return them unsigned. He wanted some statistics on the average income, and to learn what percentage favored the grant and how many were members of the mysterious WRAND organization that had requested it in the first place.

On February 16, a surprise resolution was introduced at a township board meeting, and Roy found himself standing totally alone. Five to one against him, his fellow board members voted to condemn the poverty label but to welcome the poverty money.

Everyone seemed to be saying exactly what Clerk Tilden R. Stumbo had said—"Sure, they got the grant by falsifying a document, but let's keep it anyway"—including, fantastically enough, the Federal Government itself. Because a tall, distinguished-looking man named William Lawrence was ushered into the township hall the next day and introduced as a consultant to the Community Action program of the Office of Economic Opportunity. And he soon made it clear that he'd come not as an investigator but as a peacemaker.

"I've already been around the area," he insisted, declining the offer of another tour in Roy's Chevy. "Now I want to know what sort of proposal, satisfactory to you, I can take to the university. What would satisfy you, Mr. Smith?"

"Why didn't you make the 2-hour flight out here before the grant was given? Roy couldn't help wondering.

"We're tremendously understaffed," Lawrence explained. "But I want to assure you and every citizen that no antipoverty grant will ever again be given without an on-the-spot inspection of the area."

"Michigan has a State antipoverty director," Roy Smith persisted. "Couldn't his office have been asked to check out the proposal?"

William Lawrence further explained that the poverty program permits the Federal Government to deal directly with universities. After all, he reminded Roy, the original appeal had come from the area residents themselves. By reporting on the area and offering to administer a grant, the University of Michigan was, in effect, the agency checking out the appeal for the Federal Government.

"Well, now that you've seen the area," Smith asked, "What are you going to do about it?"

Lawrence launched into an involved dissertation on the intricacies of antipoverty grants. Contracts had already been offered to professional directors, it seemed, and other commitments had been made. But the Office of Economic Opportunity would most certainly demand that the university correct the "errors" in the report, "redefine" it and "update" it before "activating" the project. "Would that satisfy you?" he asked hopefully.

"All that will satisfy me," Roy Smith told him, suddenly feeling very tired "is the return of any poverty money intended for Ypsilanti Township and a public apology to the people here."

William Lawrence went away worriedly predicting that "the university won't go for anything like that." And the university didn't.

Meanwhile, the Willow Village demonstration project had already demonstrated one thing—the ease with which antipoverty funds could be obtained. And predictably enough, what followed was like a run on the bank. The Washtenaw County Committee on Alcoholism decided to try for \$39,900; everyone knows poor people drink too much.

The local chapter of the Planned Parenthood League wanted \$26,290 because statistics show the impoverished do something else too much. The Ypsilanti public schools decided to go all out and ask \$375,000 for providing compensatory education for everyone from deprived preschoolers to the indigent aged. Before long, fully 20 poverty money requests were being feverishly prepared, and a 36-member citizens committee was itself requesting \$54,501 merely for acting as a clearinghouse for other requests. All this was going on in just one county, the highest income county in Michigan, one of the 10 wealthiest States in the Union.

Nor was the national picture particularly different. The controversy was bringing Roy Smith a surprising amount of mail from people in some farflung places. Ministers and other citizens of Chicago and Cleveland and New York were claiming that their own antipoverty grants had served no purpose except as patronage plums for local political machines. West Virginians were writing to ask if Roy saw anything strange about the way the poverty money was being parceled out. After all, the late President Kennedy's shock at what he'd seen upon carrying his primary campaign into that State had been one of the prime factors in creating the national mood that resulted in the war on poverty. Why then, West Virginians were wondering, had their antipoverty allotment so far been little more than \$400,000, while the high-income State of New Jersey had already received \$12½ million?

But folks from New Jersey were writing as well, and they weren't happy with all that money. People in Monmouth County, for example, had received a \$67,000 grant, only to learn that \$52,000 of it had already been budgeted for the salaries and "administration expenses" of the professional directors. The whole State had been startled to hear that Antipoverty Director John C. Bullitt would be getting a salary of \$25,000 a year and would have a pair of \$19,000 assistants. But Bullitt had insisted these wage rates were "not out of line," and in a sense he was right. This was less than his poverty-official superiors in Washington were getting and slightly more than was being paid city poverty officials. In Newark alone there were seven poverty fighters in the over \$10,000 bracket, but the top wage was just \$23,000. Hearings of this, the corps of poverty fighters assigned to Paterson, where the highest salary was a mere \$18,500, were about to request a pay raise, but they finally decided against it. After all, the mayor of Paterson was getting only \$17,500.

Even so, Roy's chief concern was his own township, and he was pinning a large share of his hopes on the president of the University of Michigan. He still expected Dr. Harlan Hatcher to make a personal comparison of the fraudulent report and the area it supposedly described, then crack down on those responsible with all the righteous wrath that might be expected of so distinguished an educator. But on March 2, when Roy Smith finally received an answer to his letter of nearly a month earlier, it was the most mystifying and disappointing development of the entire nightmarish affair. Dr. Hatcher described himself as "satisfied that the University of Michigan and its representatives acted in good faith and in accordance with recognized procedures, both in submitting the program and in accepting the grant," because "many of the alleged errors to which reference has been made occurred in a background document which was not submitted to Washington."

Numb with amazement, Roy searched his files for the original letter from Kornbluh, dated November 25. It still read, "I am sending you a copy of the proposal we have submitted to the Office of Economic Opportunity in Washington," just as it always had. For fully 6 weeks the report had been the

subject of incessant public controversy, mentioned in both news stories and editorials, and Roy himself had discussed it with both university and Federal Government officials. At no time in those 6 weeks had there been the slightest suggestion from anyone that the background document hadn't been submitted.

"We didn't force this money on those people," the OEO was still telling newsmen. "They themselves formed this WRAND organization and requested the university's assistance in getting a grant."

Pondering that statement that he'd heard and read so often, Roy Smith suddenly realized there was something very strange about it. Some 257 of the questionnaires he'd distributed had been returned by then, showing average family income so far of \$7,961 in the depressed community and turning up just 10 people who approved of the antipoverty grant. But more interesting yet, only four people had identified themselves, even unsigned, as members of WRAND. Roy had met the president and current spokesman of the group—a young junior high school teacher named Gerald Foley. But Foley himself admitted he'd joined the group months after its formation and had taken no part in the original request to the university. And the few other WRAND members who could be located locally said exactly the same thing. Who, then, had made that request? Who had started WRAND in the first place?

There was a way to find out. Any such organization had to file articles of incorporation with the county clerk, and any citizen had a right to examine those articles. Roy Smith availed himself of that right. And all of a sudden, the whole puzzling business wasn't so puzzling any longer.

The Willow Run Association for Neighborhood Development had been founded by just six people—not one of whom lived anywhere near the neighborhood they intended developing, all of whom were well-to-do residents of Ann Arbor. The self-help group that had asked the University of Michigan to help it help itself to some antipoverty money had been formed by one University of Michigan official, one University of Michigan professor, two wives of University professors, one prominent lawyer and the manager of the Willow Village apartments—for which additional title IV antipoverty funds had been suggested in the resulting proposal.

At this writing, with the university already privately estimating its overhead at 32 percent, the antipoverty grant gained by the invention of an imaginary ghost town is still in effect. In fact, on April 27—speaking at Detroit, Mich., and still quoting the falsified phrases and statistics of a report that was supposedly never submitted to Washington—War on Poverty Director R. Sargent Shriver, Jr., threw his personal prestige behind the Office of Economic Opportunity's attempts to save face in the controversy by publicly praising the Willow Village demonstration project. (If he'd ventured just 30 miles farther, he might have seen what he was calling "an urban-fringe pocket of poverty." But he didn't.) And the OEO is still stubbornly sticking to its story that the erroneous background material was not germane to a proposal that "clearly met the criteria for demonstrations as developed by this office."

But Government glibness no longer bothers Roy Smith the way it once did—chiefly because his struggle isn't a lone one any longer. Roused by the realization that the entire scheme was both conceived and carried out by outsiders, the people of the designated area have begun battling back with every bit as much ingenuity as was used in calling them impoverished in the first place. A group of them have decided to play the alphabet game themselves by forming a rival self-help group called REPLY—which stands for Return Every Penny and Leave Ypsilanti-Township. Petitions making the same demand

have so far been signed by 80 percent of the area's residents, and a similar resolution received an 87½-percent favorable vote at the annual township meeting. Recognizing the fact that as leaders of the people they'd do well to follow them, four of Roy's fellow township board members, Tilden R. Stumbo included, have reversed their earlier stand and joined him in demanding the return of the grant.

To dramatize the situation, signs have been erected informing visitors that they are entering an official poverty area where their tax dollars are hard at work. And a young man named Gordon Mattson, chairman of REPLY, even rented a horse and a Paul Revere costume, then braved a late snowstorm to go galloping through the streets shouting, "The bureaucrats are coming." He was followed by both a honking motorcade and what seemed an apt symbol of the incredible affair from its clouded beginning to its as-yet-underdetermined end—a circus clown.

"Maybe that's the only answer for this kind of insanity," Roy Smith laughingly reflects. "A good sense of humor. But you know what worries me most? The way that fellow from Washington acted when he came out and saw for himself how the Government had been taken. He didn't get mad, and he didn't seem surprised. He wasn't even interested. All he kept asking was what would satisfy me—which meant what would shut me up, I guess. Do you think what happened here could be the rule and not the exception? That this sort of thing is going on all over the country?"

That's an interesting question.

ORDER FOR ADJOURNMENT UNTIL TUESDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon that it stand in adjournment until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHING A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 520, S. 1599, and that it be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with amendments.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about any other business which may come before the Senate today, or for the remainder of the week, and what he sees as business to come before the Senate in the early part of next week.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

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For actions of August 10, 1965
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HIGHLIGHTS: House Rules Committee granted an open rule on farm bill. Rep. Resnick criticized "lobbying" against farm bill. Rep. Curtis inserted article critical of proposed increase in "wheat processing tax." Rep. Dwyer criticized farm bill. Senate debated bill to establish Dept. of Housing and Urban Development. Sen. Mondale urged aid to India to increase food production.

SENATE

1. HOUSING. Began debate on S. 1599, to provide for the establishment of a Department of Housing and Urban Development. pp. 19044-7, 19066-78, 19083-7
2. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 8639 (S. Rept. 547). p. 19010

3. REPORTS; INFORMATION. The Government Operations Committee reported with amendments S. 2150, to eliminate certain reports and other publications prepared by Federal agencies (S. Rept. 545). p. 19010
4. ELECTRIFICATION; ATOMIC ENERGY. Passed without amendment H. R. 8856, to provide that nothing in the Atomic Energy Act of 1954 shall be construed to affect the authority of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power produced through the use of nuclear facilities licensed by the Atomic Energy Commission (pp. 19087-105). This bill will now be sent to the President. A similar bill, S. 2103, was indefinitely postponed.
5. COPYRIGHTS. The Judiciary Committee reported without amendment H. J. Res. 431, to continue until Dec. 31, 1967, the renewal term of any copyright substituting on the date of approval of this measure where such term would otherwise expire prior to Dec. 31, 1967 (S. Rept. 548). p. 19010
6. EXTENSION SERVICE. Sen. Mundt commended the international conference of extension leaders being held from July 22 to Aug. 23, and inserted his and Vice President Humphrey's speeches to the conference. pp. 19031-3
7. FOOD. Sen. Mondale expressed concern over the growing food shortage in India and stated that we should aid India to increase its food production and be prepared to expand the food-for-peace program there. pp. 19022-3
Sen. McGovern inserted the results of a Harris public opinion survey on people's concern over certain situations, including hunger in the U. S., and U. S. food surpluses while there is hunger abroad. p. 19019
8. NOMINATION. The Finance Committee reported the nomination of John W. Gardner to be Secretary of HEW. p. 19010
9. PERSONNEL; PAY. Sen. Monroney announced that the Post Office and Civil Service Committee will commence hearings Mon., Aug. 16, on Federal pay legislation. p. 19014
10. CONSUMERS. Sen. Proxmire expressed concern over the adequacy of legislation to protect the interests of consumers and inserted an article, "Need Laws to Protect Consumers." pp. 19029-30
11. FOREIGN TRADE. Sen. Javits urged support for his proposal for a Latin American Common Market and a Western Hemisphere free trade area and inserted several items on the subject. pp. 19051-4
12. AGRICULTURE. Sen. Thurmond inserted an item, "Tragic Parallel Seen Between United States and Roman Empire." including a comparison of agricultural conditions in the two periods. pp. 19081-3
13. CONGRESSIONAL RELATIONS. Sen. Mansfield commended the services of Lawrence O'Brien, the President's special assistant for congressional relations, and inserted an article, "Applause for Dr. O'Brien." p. 19018

cation, great new outlays on highways, and on hospital and water supply construction. Meanwhile, we spent a tenth of our income to make our defenses unassailable. At the same time, we made the large outlays necessary to let the United States take over the lead in mankind's newest and most marvelous adventure, the plunge into space.

As wonderful as they are, these improvements in our country and like advances in many other parts of the developed free world, do not measure the most significant change in our lives in the last 20 years.

I am referring now to what, in my opinion, history may single out as one of the great turns toward the realization of humanity's potential.

But for all its significance, this turn has been rather generally overlooked, because for the past two decades we and the rest of the world have been so occupied and disturbed by the terrible possibilities for total destruction contained in nuclear weapons.

Nevertheless—and this is the historic change I have in mind—in these same two decades, a great and vital part of the world has made a great and vital advance toward permanent peace.

With pride and affection for our wonderful and unique Nation, we can note that this most promising of world developments took place at a time when the United States was strong and nearly all the rest of the world was weak. I do not believe history affords another example of a nation that possessed everything needed for world conquest, but which used its advantages instead to lead its friends and allies away from war, and into the paths of peace, sharing its substance with them to make them strong where they were weak, and, having restored their strength, taking its place among them as a no more than equal competitor.

This is a record that those in conflict with us now, whom we have invited to the conference table, should ponder very thoroughly.

The part of the world to which I refer includes, besides the United States, Western Europe, Canada, Japan, Australia, and New Zealand—the more economically advanced free world nations—and their neighbors.

I think—and I believe that many, many others are coming to the same conclusion—that we can begin to assert with conviction that among the nations of this most productive, best provided, most rapidly advancing part of the world, war has been renounced as an instrument of policy.

Abandonment of war as an instrument of policy, is not, of course, a measurable ascertainable matter. Nevertheless, my view is based upon a practical and mundane fact, the fact that among these nations, during the post-war years, there has been a rapid growth of the means for keeping the peace.

These means are a network of consultative, cooperative, collaborative institutions, and the will to use them constructively.

Time permits no more than a listing of the most outstanding of these institutions. The Organization for European Economic Cooperation was set up as the funnel through which Marshall plan assistance by the United States would reach Europe. It was conceived with the idea that the cooperative management of the aid funds—by the recipients—would demonstrate that even where, as in Europe, rivalries are very old and deep, collaboration in a constructive task can make collaboration a way of life. This is proved by the successors in Europe to OEEC: the European Economic Community, the European Free Trade Association, Euratom the Council of Europe, common space exploration arrangements, and many others. The fact that there is vigorous disagreement among some of the Western European powers today, but that there is no longer even any thought of war, is further proof. These dis-

agreements show besides that collaboration can take place without killing competition.

On the broader, free-world-wide scale, there are many other examples, including:

The Organization for Economic Cooperation and Development, the International Monetary Fund, the International Bank for Reconstruction and Development and its offspring affiliates such as the International Finance Corporation, the North Atlantic Treaty Organization, the General Agreement on Tariffs and Trade, the Alliance for Progress, international agreements seeking to stabilize the supply and price of key commodities such as coffee, tin and wheat, the Organization of American States, the International Development Association, the U.N. Trusteeship Council and International Court of Justice.

All these organizations, and many others are weaving a strong fabric of peace. This is not done by great single acts, but by thousands of little daily actions—exchanges of information, mutual and mutually respected criticisms and suggestions, the sharing of burdens, advance discussion of policy and the common making of policy, in place of the imposition of the policy of the strongest. This has become our accepted way of life.

It is not a way of life that rules out disagreement. As I have already indicated, you need only to read a newspaper any day to see the contrary. But it is a way of life that opens nations to the opinions and criticisms of others, and it is a way of life that requires a willingness to listen to one another's views, and a way of life that calls for constructive reaction to the other nation's problems. Now, this is not only a peaceful way of life. It is also one that grows upon you as you go along because it is constructive. Everyone who is a party to it has an increasingly high stake in maintaining it because of the building up of the benefits that flow from the sharing of burdens and from constructive problem solving.

To illustrate the point that I have been making, let me call your attention to the fact that the Secretary of the Treasury, the Honorable Henry H. Fowler, on July 10 described in the following words a potential problem the world may face as the United States brings its balance of payments into equilibrium: "without additions to the reserve dollars that our deficits have so long supplied, the world will need a new and assured source of growing liquidity to support increasing world trade and investment." Secretary Fowler went ahead to state: "I am privileged to tell you this evening that the President has authorized me to announce that the United States now stands prepared to attend and participate in an international monetary conference that would consider what steps we might jointly take to secure substantial improvements in international monetary arrangements."

In these statements our Government is indicating to the world not only its determination to solve our own payments problem, but our willingness to consult with all free nations and to solicit their viewpoints to make certain that the growth of world trade and investment is not impaired.

It is for reasons such as these that I believe the growth of interdependence has gone so far as in the free world that it can be said with realism that we have learned to live with peace, and that there is no reason to think that the nations participating in the consultative, collaborative process I have been describing will ever turn again, among themselves, to destructive, rather than constructive, solutions of their problems.

It is in this light that the tragic, ironic lessons of the death of the *Indianapolis*—and of World War II as a whole—stand out.

Had such a consultative, mutually responsive and constructive international society

existed in the 1930's, World War II could have been prevented.

That is the bitter lesson we cannot avoid if we compare today to yesterday. But I have not taken your time up to this point to make a philosophical comment. Nor have I been describing the improvements in our individual, national, and international lives in a mood of self-congratulation. It is not yesterday that I have in mind and not only the better world of today, but the still far better world of tomorrow; I am not thinking only of that part of the world that has already learned to stop fighting and to start building, but of an extension of it to new and very important ground.

We are convinced that the safer, more productive and faster growing and improving world which we have been bringing into being in much of the free world will prove so attractive that in time it will spread to the whole world.

But the United States is acting now to extend it immediately where immediate extension is most urgently needed. President Johnson took this step in his historic address on the pattern for peace in southeast Asia, on April 7, at Johns Hopkins University. Discussing and defining the responsibilities of the United States in Vietnam, President Johnson made it clear that we would not be defeated, we would not retreat, that the use of force would not pay. He then offered to the peoples of southeast Asia—including North Vietnam—an opportunity to build rather than destroy, to enter into the weaving there, as we have here—and with our help—of a strong fabric of peace and progress in southeast Asia. The President pledged himself to seek a billion dollars from the Congress to give effect, in the form of constructive works of economic betterment in southeast Asia, to his offer.

Only 3 days ago, on July 28, the President repeated and emphasized this pattern for peace.

In effect, what we are saying is:

The days of aggression and terror and war itself are numbered. Here in our world we are learning to live at peace. All of us are immeasurably better off for it. We offer you our help, and we welcome you into our open, constructive world of peaceful improvement of the human lot. Stop the fighting, and let us all together start the building.

Let me say, as the President said on July 28, that this offer is not made "as the price of peace, for we are always ready to bear a more painful cost, but rather, as a part of our obligations of justice to our fellow man."

I want to spend most of my remaining time with you discussing the economic program that the United States holds forth to the people of Vietnam and the other peoples of southeast Asia. First, however, I want to go over with you, as the President does whenever he discusses Vietnam, the reasons we are fighting there.

"Why must young Americans, born into a society exultant with hope and with golden promise, toil and suffer and sometimes die in such a remote place?" the President asked in his remarks last Wednesday. And he answered: "The answer, like the war itself, is not an easy one, but it echoes clearly from the painful lessons of half a century. Three times in my lifetime, in two World Wars and in Korea, Americans have gone to far lands to fight for freedom. We have learned at terrible and brutal cost that retreat does not bring safety and weakness does not bring peace.

"It is this lesson that has brought us to Vietnam. This is a different kind of war. There are no marching armies or solemn declarations. But we must not let this mask the central fact that this is really war.

"It is guided by North Vietnam and it is spurred by Communist China. Its goal is to conquer the South, to defeat American

power, and to extend the Asiatic dominion of communism.

"There are great stakes in the balance.

"Most of the non-Communist nations of Asia cannot, by themselves and alone, resist growing might and the grasping ambition of Asian communism.

"Our power, therefore, is a very vital shield. If we are driven from the field in Vietnam, then no nation can ever again have the same confidence in American promise, or in American protection.

"In each land the forces of independence would be considerably weakened and an Asia so threatened by Communist domination would certainly imperil the security of the United States itself.

"We did not choose to be the guardians at the gate, but there is no one else."

And in his pattern for peace address in April, the President put it:

"We fight because we must fight if we are to live in a world where every country can shape its own destiny, and only in such a world will our own freedom be finally secure * * * the infirmities of man are such that force must often precede reason, and the waste of war, the works of peace.

"We wish that this were not so. But we must deal with the world as it is, if it is ever to be as we wish."

These gentle and generous reasons for our restrained, carefully measured-out use of force in Vietnam are in keeping with the constructive peace the President proposes.

What, then, are these works of peace?

First of all, we should remember that what has now been proposed does not stand alone, that we have already made very great contributions to development in southeast Asia.

Our military assistance in keeping the area from being converted into a small morsel to be gobbled up by the hungry communism of Asia is undoubtedly the biggest single assistance we have given. Without it today South Vietnam, and much if not all of the rest of the area, would lie stripped and impoverished in the poorhouse that is Asian communism, deprived even of the right to use its own resources for its own benefits.

But we have not only been preserving the resources of southeast Asia. We have also been adding to them in very great measure. American economic assistance has gone to many countries of southeast Asia, including Burma, Indonesia, Laos, the Philippines, Thailand, and Vietnam, over most of the past two decades. The single biggest recipient of our economic assistance in this area has been Vietnam.

It is in this setting that the President proposes an accelerated program of development assistance in southeast Asia. In proposing this program last April as the pattern for peace in that troubled and for the most part impoverished part of the world, the President said:

"The first step is for the countries of southeast Asia to associate themselves in a greatly expanded cooperative effort for development. We would hope that North Vietnam would take its place in the common effort just as soon as peaceful cooperation is possible."

As part of the cooperative action of the southeast Asian people themselves, President Johnson has accepted, and has proposed U.S. participation in, the Asian Development Bank that is now being brought together. I had the pleasure of attending a meeting at Washington earlier this week at which representatives from the Philippines, South Vietnam, India, Pakistan, and Iran explained their plans for the Bank to U.S. officials.

I have rarely, if ever, attended a meeting more full of enthusiasm, and I may say, of more promise in the approach to a great task. I think it is a project that will succeed. To help it succeed, the President has proposed not only U.S. financial participation, but has designated Eugene Black to serve as his personal representative, and to share with

the Asian organizers of the Bank the vast experience Mr. Black accumulated as President of the World Bank for 15 years.

Subject to congressional approval, the United States will subscribe some \$200 million to the capital of the Asian Development Bank. This would be 20 percent of the proposed capital of the Bank. The Asian countries are to contribute some \$600 million altogether and others—including, if they will come in, the U.S.S.R.—are to put up \$200 million.

The Asian Development Bank is thus to be not only Asian in concept and in management, and for the benefit of Asia, but is also to be mainly Asian financed. It will cut across the world's main geographic and cultural dividing lines. In these ways, the Asian Development Bank holds promise of serving not only Asia, but of performing a signal long-term service to the world as a whole. And from our point of view, we would be joining hands with the Asians in their own chosen project.

Here we see the beginning of a web that with patience and prudence—and the more quickly and the more surely if we can move from the battlefield to the conference table in Vietnam—can be developed into the same kind of strong fabric of lasting peace and progress that has been woven so swiftly in the free world since we turned our back on our battlefields, and turned our faces to the building of a world in which humanity can begin to realize its untold potential.

As President Johnson has said, and has emphasized and reemphasized, "We will not be defeated" in Vietnam, "we will not grow tired, and we will not withdraw either openly or under the cloak of a meaningless agreement."

But we are willing to enter into "unconditional discussions" for an honorable peace, "with any government, at any place, at any time."

In stating this, the President said, when making known his pattern for peace in southeast Asia: "This generation of the world must choose: destroy or build, kill or aid, hate or understand. Well, we will choose life. And in doing so, we will prevail over the enemies within man, and over the natural enemies of all mankind."

No nation ever fought with more resolution than we fight in Vietnam. No nation ever fought with less desire for conflict, and less liking for the use of force. And no nation ever offered a brighter peace.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. ROBERTSON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Virginia yield, without losing his right to the floor?

Mr. ROBERTSON. I yield with that understanding.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of the bill.

The Senate resumed the consideration of the bill which had been reported from

the Committee on Government Operations with amendments on page 2, line 15, after the word "housing," to strike out "and"; in the same line, after the word "development", to insert "and mass transportation"; in line 18, after the word "cooperation", to insert "to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy"; on page 3, line 24, after the word "problems", to insert "consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects"; on page 4, line 8, after the word "activities", to insert "encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department"; in the headline, in line 21, after the word "Officers", to insert "And Officers"; on page 5, line 5, after the word "time," to insert "One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market."; after line 17, to insert:

(c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

And on page 7, after line 5, to insert:

(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development; to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects: encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities; encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objec-

tives of the Department; and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS AND OFFICES

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

(c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

(c) The President shall undertake studies

of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses

necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that

if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed, by and with the advice and consent of the Senate, shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, the proposal to raise the Housing and Home Finance Agency to the status of an executive department is an unnecessary and a wasteful step. The primary purpose is to bring pressure upon Congress to increase spending for city housing, urban renewal, and transportation. Current news items indicate that the new Cabinet officer would start with a \$7 billion budget, referring to the new housing bill recently written into law. That estimate is a misnomer because the public housing authorized by that bill will eventually cost more than \$7 billion. When some Member of the Senate estimated that the housing bill would cost \$15 billion, the Senator in charge of the bill frankly admitted that no one could form an exact estimate of what the bill could cost because of the open end authorizations and the authority to draw funds directly from the Treasury.

Last week, the Federal Reserve Board estimated that the current boom would last all of this year and perhaps go well into next year and at the unprecedented level of \$660 billion. Also, the national produced income is at an all-time high and likewise the number gainfully employed. So we find those who look only at the rosy side of the medallion predict-

ing that we can have both guns and butter.

No one seems to know what the guns will eventually cost, but even on the basis of the current level of war expenditures, I predict that we are not going to have both guns and butter except on the basis of a higher price for butter. In other words, I estimate current budgeted expenditures, exclusive of social security, of \$107 billion and revenue at \$94.7 plus, leaving an anticipated deficit of \$12.3 billion. Yet, we are asked to create a new spending agency to put pressure on Congress for new public housing units, each one of which over a period of 40 years will cost the Government \$14,000, for more contributions to those who wish to rent a house better than their income can finance, and to make contributions to the redevelopment of our cities with mass transportation grants of 50 percent or more and urban renewal grants up to 75 percent.

The proposal to create a new Department of Housing and Urban Development is unnecessary because it does not create any new functions not already being performed by the various bureaus that make up the HHFA. The House committee said in its report:

It does not modify or repeal existing programs; it does not propose new ones.

It is wasteful because the tendency of all full-scale departments has been to grow. One of the first acts of the Eisenhower administration was to create the Department of Health, Education, and Welfare, which began its existence with a budget of \$1,927,432,261 for the fiscal year 1954.

Eleven years later that Department had a budget for 1965 of \$6,985,726,000. Of course, it will be said—and properly so—that in the meantime Congress has authorized new welfare programs and expanded old ones.

I do not necessarily find fault with the merits of these programs. I say only that the tendency of departments is to grow, and we may assume that the presence at the Cabinet table of a Secretary of Health, Education, and Welfare has enabled those functions to get a larger share of the Federal budget than they otherwise would have received.

Is it not reasonable to assume that when another chair is moved up to the Cabinet table in the White House, to be occupied by the Secretary of Housing and Urban Development, he, too, will be in a position to claim a larger share of the budget?

On the basis of what we have seen happen in other departments, I am not much impressed by the figures given to the House committee by the Budget Bureau to show that there would be a net savings of \$50,000 a year in salaries by converting HHFA into an executive department.

Even if there should be such a reduction in the first year, I predict it will not be long until the payroll of this new Department begins to climb.

The Senate Committee on Government Operations said in reporting this bill that the urban areas of the country, both large and small, are in trouble, with local taxes running about 140 percent

higher than 15 years ago. The same is true of State taxes, the committee added.

The only inference I can draw from this argument is that, with a Department of Housing and Urban Development, the Federal Government will do more to help cities meet their financial problems.

Just a few weeks ago this Congress showed its willingness to help meet these urban needs by passing a \$7.5 billion housing program, a substantial part of which was for urban renewal. I did not vote for that bill, Mr. President, because the Federal Government also has its financial troubles. It is not only in the red, but faces military expenditures in Vietnam that will throw the Federal budget further out of balance next year.

In his message asking for this bill the President estimated that by 1975 we will need over 2 million new homes a year. The present need is for about 1.6 million. He said we will need schools for 10 million additional children, welfare and health facilities for 5 million more people over the age of 60, and transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

Undoubtedly, these estimates will be borne out. But if the creation of a new Federal department to study these needs means that the Federal Government will assume more and more of the burden, it is not going to cost any less. It would mean only a transfer of debt from the State and local to the national level.

It might be well to consider, also, where we are going to stop in the creation of new departments.

For example, the National Aeronautics and Space Administration is a rapidly expanding independent agency, and if it succeeds in putting a man on the moon in the next few years it would not be surprising if NASA asked for a seat at the Cabinet table.

Mr. President, I am opposed to the bill, and, while the indications are that the Senate will concur in the House action, I believe that such action is ill advised. I shall vote against the bill.

FORTAS' CONTRIBUTION TO CIVIL LIBERTIES

Mr. PROXMIRE. Mr. President, the Senate will soon be called on to consider the appointment of Abe Fortas to be Associate Justice of the U.S. Supreme Court. Mr. Fortas has had a remarkably influence on the development of law in the United States.

As unpaid counsel for the indigent defendant Clarence Earl Gideon, Mr. Fortas successfully argued that it is a basic constitutional right for every citizen to have a lawyer when charged by any State with a felony. In the now famous case of Gideon against Wainwright, the Court ruled that the State must provide, at its own expense, the indigent with counsel.

Prior to the Court's ruling in that case, the prevailing rule, as established in Betts against Brady in 1942, compelled the States to provide counsel only in a capital case. How could the distinction between capital and noncapital cases be upheld? The 14th amendment protects individuals from deprivations by the state of

liberty as well as life without due process. Yet for 20 years the distinction was somehow upheld.

Then, in 1962, Abe Fortas pointed out with great particularity and clarity in his brief in the Gideon case that—

An accused person cannot effectively defend himself. The assistance of counsel is necessary to due process and to a fair trial. Without counsel, the accused cannot possibly evaluate the lawfulness of his arrest, the validity of the indictment or information, whether preliminary motions should be filed, whether a search or seizure has been lawful, whether a confession is admissible * * *. He cannot determine whether he is responsible for the crime as charged or a lesser offense. He cannot discuss the possibilities of pleading to a lesser offense. He cannot evaluate the grand or petit jury. At the trial he cannot interpose objections to evidence or cross-examine witnesses * * *. He is at a loss in the sentencing procedure.

An indigent is almost always in jail unable to make bail. He cannot prepare his defense.

The argument convinced the Court. The right to counsel in criminal cases, as guaranteed by the sixth amendment, was extended to the States. The rights of the individual were immeasurably strengthened. Yet for his work, for his energy, for his time, and for the resources of a large part of his office, Mr. Fortas did not receive any compensation at all—except the knowledge that all citizens of our Nation are freer because of his efforts. This is the labor of a man who believes in individual rights and freedom, of a man who, I am sure, will give these cherished values the highest place in his judicial philosophy.

Abe Fortas was responsible for another legal landmark in the famous Durham case, tried before the U.S. court of appeals here in 1954. Although the ruling in that case—concerning the slippery and elusive concept of criminal insanity—has not received national constitutional scope, its repercussions have nevertheless been felt nationwide.

The test for insanity used in most Federal and State courts at the time of the Durham case was formulated toward the middle of the 19th century in England. The so-called M'Naghten rule stated as an exclusive test of criminal responsibility:

The jurors ought to be told in all cases that every man is to be presumed sane, and to possess a sufficient degree of reason to be responsible for his crimes, until the contrary be proved to their satisfaction; and that, to establish a defense on the ground of insanity, it must be clearly proved that, at the time of the committing of the act, the party accused was laboring under such a defect of reason from disease of the mind, as not to know the nature and quality of the act he was doing, or, if he did know it, that he did not know he was doing what was wrong.

But ever since 1838, well before the M'Naghten case, the "nature and quality" or "right-wrong" tests have been criticized. In 1928, Mr. Justice Cardozo said in a speech before the New York Academy of Medicine:

Everyone concedes that the present (legal) definition of insanity has little relation to the truths of mental life.

Here and there some changes were made, but nothing fundamental enough

to eradicate the basic defects of the M'Naghten test itself. But Monte Durham, who had a long history of mental instability, won his case on appeal against the restrictive M'Naghten rule. And Abe Fortas, through his successful argument, brought about a significant change in the legal way of looking at insanity. Circuit Judge David L. Bazelon wrote that the new rule "is simply that an accused is not criminally responsible if his unlawful act was the product of mental disease or defect." Now known as the Durham rule, it has had a significant effect in many jurisdictions throughout the country.

If Abe Fortas had not cared about his client and about insuring that the law keep pace with the advances of our scientific knowledge, this rule would not have come when or as it did. And in the Durham case also, Mr. Fortas acted as a court-appointed, nonpaid attorney.

There has been some criticism of this nomination on the grounds that we are appointing a friend of the President. The President's unbounded confidence in Mr. Fortas' abilities is no secret. The President indicated at his press conference last week that he practically drafted Mr. Fortas for the post.

But I do not think that because a man happens to have known a President well and to have had his confidence, he should be discriminated against. Felix Frankfurter had the confidence of President Roosevelt and I do not think that many today would argue against Mr. Justice Frankfurter's appointment. John Marshall was well known to John Adams when he was appointed shortly before the end of President Adam's term of office. And Chief Justice Marshall was one of the greatest Justices this Nation has had.

Anyone who studies the background of Mr. Fortas and his remarkable record of achievement cannot fail to be impressed. Mr. Fortas will be an excellent Associate Justice of the Supreme Court of the United States.

THE MIRACULOUS RISE OF NICHOLAS KATZENBACH

Mr. PROXMIRE. Mr. President, in this decade of the sixties it would be hard to find a department of Government that is more of a storm center, or more crucial to the progress of both freedom and order than the Department of Justice; and it is difficult to name a Government official whose work in this period of the sixties is more crucial for the rights and the physical safety of Americans than the Attorney General.

Attorney General Nicholas Katzenbach has occupied that post for only a brief time, but already the job which he has done has been expertly assessed. One of the most interesting and penetrating evaluations was recently written by Willard Edwards of the Chicago Tribune. Mr. Edwards, a superb reporter with many years of experience in Washington, not only reports in depth on Katzenbach the man in this article but also evaluates the job he has done.

I ask unanimous consent that this article entitled "The Miraculous Rise of

Nicholas Katzenbach" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MIRACULOUS RISE OF NICHOLAS KATZENBACH

(NOTE.—Attorneys general usually are men of long and successful political experience. Many managed the campaigns that put their Presidents in power. In 1960 Nicholas deB. Katzenbach didn't even vote. Yet today he runs the most politically sensitive department in Washington with the courage, coolness, brains, and savvy that have made him a key figure in the administrations of two hard-to-please Presidents.)

(By Willard Edwards)

A vague discontent with his placid existence sometimes stirred the breast of Professor Nicholas deBelleville Katzenbach at the end of 5 years at the University of Chicago.

He really had no excuse for this occasional sense of frustration, he repeatedly assured himself. He was respected and honored in the academic community, having attained a full professorship at the age of 34. His lectures on international law were acclaimed as models of clarity and scholarship.

He lived in a bid old house at 4925 Woodlawn Avenue with a lovely wife, four children, and two dogs. His income was entirely adequate. A transplanted easterner (associate professor of law at Yale 1952-56), he had quickly adjusted to his new environment. His colleagues found him genial, easy-going, humorous.

But he was approaching the venerable age of 38 in 1960 and, like many moderately successful men of ambition and imagination at that period in life, he found himself wondering if he was destined to settle down into a comfortable but humdrum routine, devoid of action and excitement.

"Do I want another 30 years of this?" He asked himself. He privately uttered an emphatic negative.

Escape from this cloistered serenity, however, appeared impractical, if not impossible. as an air force flyer in World War II, Katzenbach had been imprisoned after a crash and twice wriggled out of the clutches of Italian and German captors, only to be brought back. His present captivity presented problems as difficult to overcome.

The professor had an urge for public service, inherited from a father who was attorney general of New Jersey and a mother who served on that State's school board for 43 years.

The family is an old one in the State. The Katzenbachs came from Germany in the Revolutionary war period and a deBelleville from France, who settled in New Jersey, had been a personal physician to the brother of Napoleon Bonaparte.

In private law practice in Trenton, N.J., at the age of 28, Katzenbach had contemplated a political career. His ventures in that direction met with vast indifference so he went off to join the Yale law school faculty, resigning himself to an academic career which shifted to the Chicago campus in 1956.

The simple truth, Katzenbach had to confess to himself, was that no avenues to government or political service were open to him. He had no experience in either field; he had no friends with influence to help him get started. He was utterly unknown in those circles where the affairs of Nation and State are transacted.

A presidential political campaign was boiling up in 1960 but he could think of no way to get into it. With a sigh, he accepted a Ford Foundation fellowship to study legislative law and went off to Geneva, Switzerland.

There, he spent the next few months far from the turbulence of one of the closest presidential contests in history, climaxed by

the hairbreadth victory of John F. Kennedy over Richard M. Nixon.

A Democrat, Katzenbach rejoiced, regretting that he had not even voted, far less aided in the campaign. He had sufficient perception of political standards to know that his absentee role would be no aid to service with the new administration—that plus the fact that none of its leaders had ever heard of him.

A few days later, however, he noted a Geneva newspaper report that Byron (Whizzer) White, a former All-American football star, had been selected as Deputy Attorney General by Robert F. Kennedy, the President-elect's brother, who was preparing to take over the Justice Department.

White was an old friend from Katzenbach's days at Yale Law School. The impulse seized him to phone Washington from a Swiss skiing station. He caught the next plane home. On the flight, he kept telling himself not to set his hopes too high. A minor legal post would be most satisfactory.

Not in his wildest dreams (or in the dreams of anyone connected with the Kennedy forces) did the unknown law professor envision the incredible series of events to follow.

Within 2 months, he was Assistant Attorney General in charge of the Office of Legal Counsel, lowest ranking of the nine assistants in the Justice Department, but a position higher than he had hoped for. White had suggested Katzenbach to BOBBY KENNEDY for the job and that was all that was necessary.

Within another 15 months, in May 1962, he was Deputy Attorney General, succeeding White who had been named a Supreme Court Justice. BOBBY, who had not met Katzenbach until the eve of the Kennedy inauguration, was so impressed by his ability that he elevated him to the No. 2 spot in the Department over the other eight assistants.

Two years and four months later, in September 1964, Katzenbach was acting Attorney General, taking over the duties of that office after KENNEDY resigned to run for the U.S. Senate in New York.

Five months later (and here the chronicle of advancement violates all the rules of political probability), Katzenbach was nominated by President Johnson as Attorney General of the United States, the youngest and certainly the most surprising member of his Cabinet. He was sworn into office last February 13.

Today, at the age of 43, the professor who couldn't get into politics runs the most politically sensitive department in Washington. He's master of an empire with 32,000 employees at his command. He's the chief law enforcement officer of the land. His secret desire for a more stimulating and action-packed career has been more than satisfied.

Katzenbach played a key role when the Kennedy administration was panicked by the Bay of Pigs disaster. He was summoned to emergency action in the crisis resulting from the discovery of Russian missiles in Cuba. He led U.S. marshals in the racial rioting at Oxford, Miss., and faced down Gov. George Wallace, of Alabama, in a televised confrontation which made his face and figure familiar to millions of Americans.

Ahead of him lie massive problems—a constantly rising flood of crime, which, if it maintains its present rate of increase at 10 percent a year, will soon bring chaos; and racial violence which, he fears, could hit any one of 25 or 30 cities this year.

These are comparatively new burdens, added to the duties of a department which has a staggering array of functions. The Justice Department, through its antitrust unit, has power to make giants of industry cringe. It operates the Federal prisons, controls the operations of the Federal Bureau of Investigation, screens all appointments to the Federal bench, prosecutes a variety of

crimes ranging from tax frauds to narcotics violations.

These are tremendous powers to be entrusted to one man and Presidents have usually chosen Attorneys General who are close friends with a political background. Delicate decisions, involving prosecution of the administration's friends or foes, frequently arise. In such cases, it is preferable to have a trusted intimate who fully senses the political implications of action or inaction. Several of Katzenbach's predecessors, like BOBBY KENNEDY, managed the campaigns of the Chief Executive who selected them.

Katzenbach not only lacked political experience; he was definitely not one of President Johnson's intimates. He had, for example, only a nodding acquaintance with Bobby Baker, Johnson's good right arm in the Senate, whose financial operations have been under investigation by a Federal grand jury for more than 8 months.

Some observers have speculated that this status as an outsider may eventually have been an item in Katzenbach's favor when the President was mulling over his choice of an Attorney General. Whatever action may be taken by the Justice Department in the Baker affair, Johnson will not be plagued by charges that the decision was made by an interested party.

This factor might have been a minor consideration in Katzenbach's appointment, but the general agreement is that Katzenbach got the post because a half-dozen others were disqualified, one by one, during the 5 months the President took to make up his mind. Political considerations dictated the eliminations.

The President, it is said, was about to nominate Edwin L. Weisl, Sr., his former counsel on a Senate investigating committee, who had become Democratic national committeeman in New York. Johnson leans heavily on Weisl for political advice and has faith in his loyalty.

Then BOBBY KENNEDY became a political power in New York as U.S. Senator and it appeared that the President would need Weisl more in New York than he did in Washington. The Kennedy-Johnson relationship is not quite a feud but it could easily become one. Weisl stayed in New York as a check upon the young Senator's ambitions. The President later gave Weisl's son a post as Assistant Attorney General.

In the guessing game which developed in the 5 months following Kennedy's departure, the names of men like Senator THOMAS J. DONN, of Connecticut, Abe Fortas, a veteran of the New Deal era, and Leon Jaworski, a Houston, Tex., lawyer, were reported under consideration. Anyone with a legal background, who could claim he had been a Johnson supporter in 1960 and earlier, was fair game for the gossips.

Few gave a thought to Katzenbach and he, himself, had no illusions about his chances. As the waiting period lengthened, however, he began to wonder if, by a process of elimination, the President might not get around to considering the qualifications of the man handling the job.

Early one morning, as he was watching television, Katzenbach heard a newscaster report from Johnson City, Tex., that Clark Clifford, a Washington lawyer and intimate of L.B.J., would be the next Attorney General. When he left the house a few minutes later, instead of the big Cadillac limousine which customarily transported him to the Justice Department, he found his chauffeur waiting in a smaller sedan.

"I know the word spreads fast in this city," he told his driver in mock amazement, "but I didn't know the comedown would be this quick." The big car, it developed, was in the garage for repairs.

Katzenbach tells this story on himself with the same good humor that has fortified

tively in a proceeding which considers the interrelationships of the various supply areas with the markets they serve.

From an administrative point of view, a nationwide proceeding "is a practical necessity," Commissioner Ross declared. He said that a national proceeding would obviate the necessity "of plowing the same old ground time and time again." While special area rate proceedings have advantages for the first couple of cases, the law of diminishing returns rapidly takes over, he asserted.

Other recommendations by Commissioner Ross included:

The continuing use and refinement of the application of econometric and other advanced analytic techniques to the difficult task of producer regulation in future proceedings. The FPC staff submitted econometric studies in this case, he noted, marking the first attempt to analyze and test the complex interaction of regulatory and market factors with the aid of advanced statistical and mathematical techniques. While adoption of the two-price directional concept in this proceeding made it inappropriate to use the results of these studies, Commissioner Ross said that when better developed, this type of analysis will provide both a practical and legal foundation for better producer regulation.

Further consideration of project accounting as a method of pricing new gas. This method visualizes a project cost model which requires a true yield rate of return. In contrast, the method used by the Commission in the Permian case, which he said is a form of cross-section accounting method, is directed toward finding a rate of return under a comparable earnings test. In this case, Commissioner Ross said, the Permian rate of return evidence on a true yield basis was not adequate to support use of the project accounting method. However, he said it was ripe for further consideration.

Commissioner Black in his separate statement on rate of return cautioned that "the importance of a careful rate-of-return determination cannot be over emphasized," noting that every percentage point of return equates to nearly \$4.5 million annually to purchasers of Permian Basin gas. He concluded "with some reluctance" that, while the record did not strongly support such a conclusion, on the evidence in the present proceeding the 12-percent rate allowed by the Commission is not excessive. However, he emphasized his "strong hope that the Commission's determination of rate of return will not be understood as some kind of immutable standard which we have developed in this pilot decision."

Commissioner Black noted serious deficiencies in the presentation of both the examiner and the staff on the rate of return question. The FPC staff had recommended 9.5-percent return, and Commissioner Black,

in citing evidence offered to support this figure, said that while the statistics used are subject to infirmities, they indicated that the Commission's 12-percent allowance is very probably a generous one.

The examiner's adoption of a 12-percent rate of return was, he felt, based on a "woefully inadequate * * * sampling" of non-integrated companies whose sales were but an "infinitesimal part of the total" sales of the Permian Basin. In contrast, he indicated, the Commission employs as the starting point the rates of return allowed jurisdictional pipeline companies and then seeks to translate the added risk inherent in natural gas production in terms of percentage points of return on investment. But, Commissioner Black said, this translation "has only marginal support in the record and we should acknowledge this to be the fact."

The most important single reason for a liberal rate of return in Permian is that the greater part of the gas is substantially below pipeline quality, he said, and with the price adjustments to reflect these quality differentials, much of it will not command the ceiling prices. The 12-percent return may be justified by the special risk that producers will continue to find large amounts of substandard gas, Commissioner Black concluded.

FACT SHEET—PERMAIN BASIN AREA RATE PROCEEDING

The Permian Basin area rate proceeding covers 3 of the FPC's 23 pricing areas—the Permian Basin area of New Mexico and Texas Railroad Commission District Nos. 7-C and 8.

Counties:

New Mexico—Permian Basin (3): Chaves, Eddy, and Lea

Texas R.R.C.D. No. 7-C (14): Coke, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sutton, Terrell, Tom Green, and Upton.

Texas R.R.C.D. No. 8 (41): Andrews, Bailey, Borden, Brewster, Cochran, Cottle, Crane, Crosby, Culberson, Dawson, Dickens, Ector, El Paso, Floyd, Gaines, Garza, Glasscock, Hale, Hockley, Howard, Hudds, Jeff Davis, Kent, King, Lamb, Loving, Lubbock, Lynn, Martin, Midland, Mitchell, Motley, Pecos, Presidio, Reeves, Scurry, Sterling, Terry, Ward, Winkler, and Yoakum.

Virtually all of the Permian Basin interstate production goes to three pipeline purchasers—El Paso Natural Gas Co., of El Paso, Tex., 73 percent; Northern Natural Gas Co., of Omaha, Nebr., 18 percent; and Transwestern Pipeline Co., of Houston, Tex., 9 percent.

The Permian Basin accounts for about 11 percent of all gas moving into interstate markets. Revenues from Permian Basin jurisdictional sales by producers to pipelines

amounted to about \$126,035,035 in 1960—or about 10 percent of the \$1,265,381,342 in revenues from nationwide jurisdictional sales by producers to pipelines in that year.

The proceeding involved 336 respondents and 47 interveners. There are approximately 1,400 producers in the Permian Basin. There were 251 days in hearing, 30,889 pages of transcript and 337 main exhibits plus numerous supplemental exhibits. Measured by hearing days, the case is the longest ever held by the FPC, and on the basis of the size of the transcript it is one of the largest.

CHRONOLOGY

September 28, 1960: FPC issued "Phillips" ruling (Opinion No. 338) holding that individual company ratemaking is unworkable for producers. General Policy Statement 61-1, issued concurrently, set out interim price ceilings for 23 producing areas. Interim ceilings for the 3 areas involved in the Permian Basin hearing were 16 cents per thousand cubic feet for new sales and 11 cents as the level at which increases in existing rates would be suspended.

December 23, 1960: Permian Basin area rate hearing ordered.

March 6, 1961: First prehearing conference held in Midland, Tex. Later met in Midland on March 7 and 8 and in Washington, D.C., on April 12, 13, and 27.

May 26, 1961: Examiner's report to Commission on prehearing conference.

September 7, 1961: Prehearing conference, Washington, D.C.

October 11, 1961: Hearing begins in Washington, D.C.

September 12, 1963: Hearing concluded.

November 22, 1963: Initial briefs deadline. Filed, jointly or separately, by 50 parties.

January 15, 1964: Reply briefs deadline. Filed, jointly or separately, by 21 parties.

September 17, 1964: FPC Presiding Examiner Seymour Wenner's initial decision issued, adopting new two-price system designed to speed search for new gas, based on "directional" concept that exploratory activities can be directed toward search for gas reservoirs separately from oil reservoirs, thus making supply of "gas-well gas" responsive to price. Examiner would establish series of ceiling prices for Permian Basin ranging from low of 10 cents per 1,000 cubic feet for old casinghead gas to high of 16.75 cents for new "gas-well gas."

November 23, 1964: Deadline for exceptions to examiner's decision.

January 15, 1965: Deadline for replies to exceptions to examiner's decision.

February 8 through February 10, 1965: Oral argument before members of Federal Power Commission.

August 5, 1965: FPC opinion issued (Opinion No. 468), with related rule-making order, show-cause order, and order issuing certificates.

Federal Power Commission—Summary of Permian Basin ceiling rates allowed by the FPC, recommended by the examiner, and advocated by the major parties ¹

[In cents per thousand cubic feet of gas]

	New gas well	New residue		Old gas well	Old residue	New casinghead	Old casinghead	Prescribed quality differentials	Minimum rates
		Gas-well gas	Oil-well gas						
Federal Power Commission ²	16.5	16.5	14.5	14.5	14.5	14.5	14.5	Yes ³	9.5 cents for casinghead, 9 cents for other gas; buyer's OK required.
Presiding examiner	16.75		15.0	13.5	13.5	11.0	10.0	do ⁴	
State and Public Utilities Commission of California	14.75	13.5		13.5	13.5	10.0	10.0	do ⁵	Opposed. 13.5 cents for all gas.
State of Texas and Texas Independent Producers & Royalty Association ⁶	20.0	20.0		20.0	20.0	20.0	20.0	do ⁷	
Independent Petroleum Association of America	(⁸)	(⁹)		(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	Do not except to examiner's recommended minimum rates, but oppose requirement of buyer's OK.
Major producers ⁹	20.0	20.0		20.0	20.0	20.0	20.0	Opposed	
California distributors ¹⁰		13.5		13.5	13.5	10.0	10.0	Yes ⁷	Do not except to examiner's recommendation.
Federal Power Commission staff	14.25	13.25		13.25	13.5	9.5	9.5	do ¹¹	

Footnotes on following page.

¹ Several parties made no area rate proposals, asserting a right to individual company treatment.

² The FPC's ceilings include production taxes. The ceilings for gas produced in New Mexico will be lower, reflecting the tax level as of the effective date of the FPC's opinion.

³ The FPC ceilings apply to "pipeline quality" gas. Prices for inferior quality gas will be fixed below the ceiling prices on the basis of quality guideline standards. Upward and downward adjustments provided for B.t.u. content.

⁴ Quality differentials only for pressure in new residue gas: Minus 1.5 cents for gas which will require only 1 stage of compression; minus 2 cents for less than 2 stages of compression.

⁵ Quality differentials as indicated in docket No. R-200.

⁶ Texas Independent Producers & Royalty Owners Association, joined by the West Central Texas Oil & Gas Association.

⁷ Favor prescribed quality differentials in principle, but do not specify amounts for this proceeding.

⁸ No ceilings. Contract prices should prevail.

⁹ Plus several small producers who adopted the major producers' proposals.

¹⁰ The California distributors excepted to some of the Examiner's new gas-well gas determinations but did not specify a ceiling reflecting those exceptions.

¹¹ Differentials of minus 1 cent for sour gas; minus 5 cents for gas with high carbon dioxide content; minus 1.5 cents for residue gas which will require 2 stages or more of compression, and minus 2 cents for residue gas with less than 2 stages of compression.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. RIBICOFF. Mr. President, I am pleased to bring to the floor of the Senate the bill, S. 1599, to establish a Department of Housing and Urban Development. The history of our Government—and, indeed, of our Nation—would be brightened by the enactment of this landmark legislation.

Ours is an urban society. The great majority of Americans live in cities, and their suburbs. The bulk of our Nation's wealth is created, each day, in these cities. The health of our society hinges on the well-being and progress of our cities—their suburbs—and the people who live in them.

This is a fact of modern life. For our urban population is expanding—exploding, if you will. When our Constitution was adopted, only 5 percent of our people lived in urban areas. Today, 70 percent of Americans live in cities, towns and suburbs, and by the end of this century, over four-fifths—or 350 million people—will be living in our urban areas. Remember, Mr. President, we are only 35 years from the 21st century.

Still, we try to deal with 21st century problems in 18th century ways. Our cities, towns and suburbs—regardless of their size—are in trouble. Beset with problems stemming from rapid growth and change, they struggle to serve our people.

Mr. MANSFIELD. Mr. President, will the Senator from Connecticut yield, without losing his right to the floor?

Mr. RIBICOFF. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, older communities—and these include many of our smaller towns—are faced, at one and the same time, with problems of inherited slums and blight, and of rapid new growth. Even our youngest and smallest towns confront urgent problems arising from present or imminent growth.

The costs of local service are rising at an alarming rate. Local taxes this year are running about 140 percent higher than just 15 years ago. They are rising

even higher, and the same is true of State taxes. The burden on State and local governments to meet the need for more services grows heavier day by day and month by month.

And there is no end in sight to the need for more schools, more highways, more hospitals, more sewage and water facilities, and more and better programs to house our urban population and improve our communities. No more complex and pressing problem faces us than the problem of how local communities, large and small, are to meet their urgent needs.

Yet for a decade we have failed to come to grips with this problem. For a decade we have debated whether we should establish a department concerned with housing and urban development.

During these 10 years that the proposal to establish such a Cabinet-level agency has been before Congress—during this decade of deliberation—a new generation of slum children has reached school age. The shortage and the pollution of water supplies and thousands of tons of smog a day continue to threaten our health and safety. Clogged city streets and inadequate transportation continue to plague the resident, the shopper, and commuter. Roadside slums, junkyards, and neon nightmares disgrace us.

Still, bills to establish a department concerned with housing and urban development have been introduced in every Congress since the 84th. And two predecessor bills have been favorably reported to this body—one in 1960 from the Committee on Banking and Currency and one in 1961 from the Committee on Government Operations.

Congress has recognized the problems of urbanization and made provisions for the solution of many of them. But it has up to now ignored the question of the proper administration of those provisions. It is now time for us to deal with the complexities that confront our urbanized Nation. We must keep in mind that our urbanization is not defined in terms of numbers alone. We are talking about more than geography and numbers; we are talking about a way of life.

My friend, the able senior Senator from Pennsylvania, was the author of the bill to establish a Department of Housing and Metropolitan Affairs that was favorably reported to the Senate 5 years ago. At that time, he pointed out that State and local debt had risen 309 percent since World War II, or 62 times as fast as Federal indebtedness—which had risen only 5 percent. Since then, the strain of continuing growth across town and county and even State lines has become even more intense. And there is no end in sight.

As President Johnson has put it:

In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.

In the remainder of this century—in less than 40 years—urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

Yet these new overwhelming pressures are being visited upon cities already in distress. We have over 9 million homes, most of them in cities, which are run down or deteriorating; over 4 million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million acres a year.

Now, the President of the United States has asked the Congress to give greater force and effectiveness to our efforts in the cities by establishing an 11th executive department and bringing its chief to the Cabinet table. Now, for the first time, the merits of the proposal will be formally debated by the Senate.

History will judge our work in the Senate, and history will tell whether we insist on misunderstanding the present—or follow a sensible path to the future.

THE ISSUES BEFORE US

The forces of urban growth and decay bring with them opportunities as well as problems. One is the opportunity to overhaul and to improve an important part of the organizational machinery of the Federal Government—the opportunity to position that part in good working relationship to the rest. This machinery should be in the finest working order if the Federal Government is to do its share effectively in guiding the forces of urban growth—and in helping to check the forces of urban decay.

The issue before us today is neither more nor less than one of good executive management in dealing with a major problem of the 20th and the 21st centuries. We should not mistake this issue.

Mr. President, let us consider first what the bill before us does not do. This bill does not provide for any new Federal programs for dealing with housing and urban development problems. This bill will not perceptibly increase or diminish Federal expenditures, except that, of course, better coordination and lessened duplication and tighter executive control may save a substantial proportion of administrative and program funds. This bill does not enlarge the functions of the Federal Government, nor diminish in the slightest the functions and powers of our States and localities. It is not a threat to private enterprise.

Nor is this bill a cure-all for our everyday urban problems. A governmental

reorganization by itself can never work such a remarkable miracle.

Mr. President, what this important bill does is to provide the Federal Government with the needed machinery for doing a vital and difficult job.

The Federal Government had entered into an enduring partnership with State and local governments and with private enterprise to tackle our problems of urban growth and urban blight. It has done so under enabling legislation authorized over many years by the Congress of the United States. Every program that would be entrusted to the new Department of Housing and Urban Development is carefully hedged about by statutory safeguards, and is designed to support and to complement activities of State and local government, and of private enterprise. Each such program is addressed to a basic aspect of our technical, urban society.

Vice President HUMPHREY has succinctly summarized the present outmoded administrative structure for dealing with our urban responsibilities in an article in the July 3 Saturday Review. His analysis comes to us from a background of experience, not only as our distinguished colleague, but also as twice the mayor of Minneapolis, and now as the President's liaison officer with our cities and their mayors. I ask unanimous consent that the Vice President's article be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the article ordered to be printed in the RECORD, as follows:

MAKING CITIES FIT FOR PEOPLE

(By HUBERT H. HUMPHREY)

(EDITOR'S NOTE.—The following guest editorial, by the Vice President of the United States, discusses the proposed Federal Department of Housing and Urban Development.)

Robert Herrick said in the 17th century that great cities seldom rest: if there be none to invade from afar, they will find worse foes at home. We know those foes today. They are slums, crime, a lack of playgrounds and parks, overburdened schools, inadequate transportation, crowding, lack of clean air, and inequality of opportunity.

It was only 45 years ago that people in American cities first began to outnumber people on our farms. By 1960 only 11 States had more rural than urban population.

But most of these States will not remain that way very long. The urban population of North Dakota, our most rural State in 1960, jumped 35 percent in the 1950's. Alaska's urban population increased 150 percent, and three other States—Arizona, Florida, and Nevada—more than doubled their urban population during this period.

By 1970 we can expect that three-fourths of our people will be living in towns, cities, and suburbs, compared to 70 percent in 1960. Most of our people will be concentrated in metropolitan areas. At the end of 1964, two-thirds of our population lived in 219 such areas, an increase from 59 percent in 1950. By 1980 that proportion will increase to three-fourths and by the year 2000 to four-fifths.

There have been several patterns of metropolitan growth. One has been mass migration from farm to city. One has been mass migration of Negroes out of the South—virtually all of it to central cities. Another has been mass migration of middle- and upper-income people from the core city to the suburb. And great growth has come

from a higher birthrate and from longer life expectancy.

This growth has imposed new and unprecedented burdens on local government for schools, housing, streets and highways, commercial expansion, transit, and welfare programs.

In the past 10 years, State and local debt has more than doubled, while Federal debt has risen only 15 percent.

State and local government employment jumped from 4,600,000 in 1953 to more than 7,000,000 employees in 1963. During the same decade, State and local public expenditures more than doubled, increasing by 132 percent to \$65 billion in 1963. Major among these were expenditures on transportation, education, highways, sanitation, and parks and recreation, with increases from 140 percent to 165 percent during the 10 years. Interest on State and local public debt jumped by 258 percent.

Along with these sharp rises in costs of public services and facilities, the growth of these urban areas has also created explosive racial and economic pressures.

I remember during my two terms as mayor of Minneapolis, at the close of World War II, the strains placed on our city by changing population patterns. Those strains were small compared to those today. Example: In the Minneapolis-St. Paul metropolitan area, nearly three-fourths of the people lived in 1950 within the city limits. Today those cities' populations remain constant, while population in their suburbs has more than doubled. The same pattern is common to nearly all our major, metropolitan areas.

The picture is clear: There has been a shift of middle and higher income groups into the suburbs, out of the taxing jurisdictions of the inner city, while too many of the poor and disadvantaged have remained behind or moved in from the poorer rural areas.

Although the suburbs have provided cheaper land and lower cost housing for many middle-income families, as well as for the more prosperous, they have been populated largely by those able to afford better housing. Those at or near the poverty level have remained concentrated in the slums and poorer sections of the central city. Faced with deterioration and decay, the inner city has found itself with greater tasks to undertake and with fewer ready sources of money. At the same time, the suburbanites have had their hands full creating public facilities and services in communities that were open grass fields a few years ago.

Behind the statistics and population patterns have been thousands of personal and community tragedies, many of them created by those of good intention. There are the impersonal housing projects that in many cases have displaced families and destroyed the traditional fabric of neighborhood life. There are the freeways that have torn through people's homes and businesses, cut through parkland, and done no more than add to the noise in our streets and poison in our air. There are the shortsighted zoning decisions that have blighted neighborhoods and reduced property values.

Because of these discouraging experiences, it would be easy to say that many of our metropolitan problems stem from apathetic or inept local government. In a few places this is true. But in most it is not.

I have been working, at President Johnson's request, with the Nation's mayors, county officials, and city managers. Almost without exception I have found these men and women to be dedicated, competent, and deeply concerned with the problems pressing on their constituencies. Most of them have long since initiated constructive programs of their own in an attempt to keep pace with the urgencies facing their cities. But they have been fighting massive problems with dwindling resources. And they have

not had any single place to turn for counsel and assistance.

One of their major difficulties, they tell me, is that no one Federal department or agency has had either authority or responsibility to work with mayors and county officials in areas where they need most help. Our mayors and county officials have not, in many instances, been able to get advice or a rapid answer in Washington—much less Federal funds.

In 1963 the Advisory Commission on Intergovernmental Relations identified over 40 separate programs of aid for urban development, administered by some 13 Federal departments and agencies. Small wonder that the committee reported that "the effect of inconsistencies is felt most keenly in urban areas where programs of all kinds at all levels of government most frequently come together."

It cited particularly inconsistency and conflict between policies, or lack of them, in relocating people displaced by public activities. While a community plans for the relocation of people displaced from a renewal area, not infrequently still another public project, undertaken with Federal help, displaces additional numbers with no rehousing plan—and may even eliminate some of the housing urgently needed to meet the problem.

Jet airports may be announced in residential growth areas, driving down values of homes financed with Federal mortgage insurance or guarantees. A right-of-way for a federally aided highway may be purchased, cutting through an area that another agency is seeking to acquire and preserve as public parkland.

One test of democratic government is its ability to respond rapidly to changing conditions.

In 1953 the Department of Health, Education, and Welfare was created to provide top-level Federal policy and direction in meeting the human and social needs of our citizens. HEW treats, to a large degree, the symptoms of urban disease.

But until recently there has been no similar recognition of the need for a top-level Federal department to help meet the physical and environmental problems of metropolis—in many cases the causes of urban disease.

Today most of the key programs having to do with urban development, improvement, and housing are lodged at a secondary level of government, in the Housing and Home Finance Agency. This independent agency was created in 1947, under President Truman, to administer the housing programs of the FHA and the Public Housing Administration as continuing peacetime activities.

Since that time all manner of programs have been added to HHFA's responsibilities, including urban renewal, urban planning, mortgage supports, public works, college housing, mass transportation, open space, and housing for the elderly. Its broad major responsibilities now cover at least 10 distinct and definable areas of activity. If you add the many special programs administered under the agency, the number would more than double. Its programs today involve some type of Federal support for more than \$70 billion in private and public investment in housing and urban development.

About 77 percent of this—more than \$54 billion—is private housing mortgage investment insured by the FHA. Public housing accounts for about 10 percent—\$7 billion—in capital investment by local public bodies, secured by annual contributions pledged by the Federal Government. Federal grants reserved or committed for renewal of our urban areas total about \$4.5 billion, and loans for college housing nearly \$3 billion. Lesser amounts include loan or

grant commitments for such programs as housing for the elderly, public works planning and construction, open space acquisition, urban planning assistance, mass transportation, and mortgage financing support for GI home loans.

The Housing and Home Finance Agency was never intended to fill its present job. It is a loosely knit instrument. According to law, three of its officials are appointed by the President and report directly to him. In a legislative sense, at least, there is no one official in command.

When the President meets with his Cabinet he cannot find out what or how the Federal Government is doing overall in assisting towns, cities, and metropolitan areas. The agency most concerned with these areas is not even represented at the Cabinet table.

In the past several years much has been done through executive cooperation and coordination to mesh various urban-related problems throughout Government. Glaring conflicts have been avoided. But this has been done the hard way, through bits and pieces of agreements and consultations among officials and staff at many levels, in many agencies.

Ad hoc committees and interstaff memorandums are no substitute for Executive decision and direction.

In 1961 President Kennedy became the first President to propose creation of a Cabinet-level Department of Urban Affairs. Committees of both the Senate and the House of Representatives reported the bill favorably, but it did not reach the floor in time for action at that session of Congress. When the proposal was resubmitted in 1962 as a reorganization plan, it failed to receive House approval. Much of the opposition expressed, as the record shows, was based on misconception of what the plan would do or considerations unrelated to the merit of the proposal.

Today the reasons advanced for opposing a new department are that it would be too costly; that it would mean Federal domination over local communities and States; that it would benefit only the large cities; that the Government is already too big, and this department would make it bigger.

I disagree with these contentions.

The Department bill would authorize no increase in expenditures; instead, it would simply mean that the Government's money would be better spent. It would add no authority to the Federal Government it does not now exercise. It is important to the larger cities but, if anything, even more so to the smaller communities less able to cope with their growth problems—indeed, the great proportion of communities using these programs are small towns, down to the village level. And the argument against big government gives no consideration to the fact that the country and its urban needs and problems are far bigger than we were able to foresee even a decade ago.

The needs of our urban areas have not diminished; they have become more pressing. President Johnson's proposal for a Department of Housing and Urban Development must be considered in this knowledge.

The President seeks from Congress the authority to bring good management to Federal responsibilities in our metropolitan areas. He asks for coordinated direction of these activities by a single Government department. And he asks for a place at the Cabinet table for the head of that Department.

The bill itself says in part that the Department of Housing and Urban Development shall undertake "maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development," and "the solution of problems of housing and urban development through State, county, town, village, or other local and private action, including promotion

of interstate, regional, and metropolitan cooperation."

Are our metropolitan areas important enough to merit top-level consideration in the Federal Government?

The answer is certainly yes.

We have long since given Cabinet status to our national concern for our natural resources, our agriculture, our trade and commerce, our labor force, and the social health and educational needs of our citizens.

Surely our cities and metropolitan areas—where three-quarters of us live—are worthy of the same attention.

Mr. RIBICOFF. Mr. President, I must add that proposals to strengthen the organizational machinery of the Federal Government in the field of housing and urban development have long found vigorous support in this Chamber among Members who have themselves served as mayors of their cities or as Governors of their States. The former mayors and former Governors among us realize that our cities and States will not find their powers diminish because the Federal Government has perfected its governmental machinery. On the contrary, they feel it will enormously help State and local governments.

As a former Governor of a densely populated State, I can testify that a tremendous job remains to be done at the Federal, State, and local levels. This job must be done—and done well—if our urban areas are to fulfill their promise of providing a decent environment in which our people may live and work and take their leisure. I am sure my views are shared by the able senior Senator from Rhode Island who, too, has served as Governor of an urban State. And, you will recall the leading role of the able junior Senator from Maine, and former Governor of his State, in sponsoring President Kennedy's Reorganization Plan No. 1 of 1962 which would have accomplished virtually the same purpose as the bill before us today.

So, Mr. President, the question before us today is not what the Federal Government will do in the field of housing and urban development, or whether it should be doing it. The question before us is only whether the Federal Government will be able to act more effectively and more efficiently.

HISTORY OF S. 1599

Let me turn now to the bill itself and its history. It was transmitted to the Congress by the Director of the Bureau of the Budget on March 23, and was introduced by me on March 25 with the joint sponsorship of Senators BREWSTER, CLARK, DODD, DOUGLAS, GRUENING, HART, JAVITS, KENNEDY of New York, LONG of Missouri, MUSKIE, PELL, TYDINGS, and WILLIAMS of New Jersey. Extensive hearings were held on the bill between March 31 and May 19.

The administration's testimony was presented by the then Budget Director, Kermit Gordon. The senior Senators from Pennsylvania and New York testified for its enactment. Also appearing in support of the bill—and their support was most vigorous—were representatives of the following organizations: National Association of Housing and Redevelopment Officials; U.S. Conference of Mayors; National League of Cities; Na-

tional Association of Home Builders; National Housing Conference; National Association of Counties; American Institute of Planners; American Federation of Labor and Congress of Industrial Organizations; United Presbyterian Church, U.S.A.

Appearing against the bill were representatives of the American Farm Bureau Federation and the National Association of Real Estate Boards. Witnesses testifying on behalf of the Mortgage Bankers Association of America, although expressing doubt as to the need for the bill, took no position either for or against it but recommended certain changes with respect to the status of the Federal Housing Administration if it is enacted.

Many other statements, both for and against the proposed legislation, were received and appear in the printed subcommittee hearings.

SUMMARY OF THE BILL

The bill recites that the establishment of the Department of Housing and Urban Development is desirable in order to—

First. Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities.

Second. Assist the President in achieving maximum coordination of the various Federal activities which have a major effect on urban or suburban development.

Third. Encourage the solution of problems of housing and urban development—including mass transportation—through intergovernmental cooperation at the State, regional, and local levels and through private action.

Fourth. Encourage the maximum contribution that may be made by vigorous private homebuilding and mortgage-lending industries to housing, urban development, and the national economy.

Fifth. Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

Under the bill, the new Department would be headed by a Secretary who would be appointed by the President with the advice and consent of the Senate, as would be an Under Secretary, four Assistant Secretaries, and a General Counsel.

The Secretary would be given responsibilities for—

First. Advising the President with respect to Federal programs relating to housing and urban development.

Second. Developing and recommending to the President policies for fostering the orderly growth of the Nation's urban areas.

Third. Exercising leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

Fourth. Providing technical assistance and information, including a clearinghouse service, to States, counties, villages, and other localities in developing solutions to problems of urban development.

Fifth. Consulting with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and State programs for encouraging regional cooperation in planning and conducting local development.

Sixth. Encouraging comprehensive planning for community development by States and localities with a view to achieving coordination of Federal, State, and local urban development activities within the local areas covered by such comprehensive planning.

Seventh. Encouraging private enterprise to serve as large a part of housing and urban development needs as it can.

Eighth. Conducting studies with respect to problems within the new Department's sphere of responsibilities.

The bill makes it clear that the activities of the new Department would run to the housing and other physical development problems of communities, both large and small, without regard to their population or their corporate status, except as may be expressly provided by substantive law.

There would be transferred to, and vested in, the Secretary of the new Department the functions of the Housing and Home Finance Agency and its Administrator. These include the urban renewal, urban planning, and open-space programs of the Urban Renewal Administration. They also include the programs of the Community Facilities Administration relating to public works planning advances, public facility loans and grants, college housing loans, and elderly housing loans, along with the Housing Agency's more recent urban mass transportation programs.

The bill would also transfer to the Secretary the authority now vested by law in the Federal Housing Commissioner for mortgage insurance programs and in the Public Housing Commissioner for aids to low-rent housing. The Federal National Mortgage Association, a corporate entity which provides a secondary mortgage market and special assistance for FHA-insured and Veterans' Administration-guaranteed mortgages, would be transferred to the new Department in its present corporation form, with the Secretary replacing the Housing Administrator as Chairman of the FNMA Board.

One of the Assistant Secretaries would be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

There would also be in the Department an Office of Urban Program Coordination, headed by a Director who would be appointed by the Secretary. The Office would assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the Federal Government which have a major impact on community development.

The bill also provides that the President shall undertake studies of the organization of Federal housing and urban development programs, and shall report his findings to the Congress, along with

his recommendations concerning the possible transfer of functions and programs to or from the Department.

The effective date of the bill is fixed at 60 days from the date of its approval, or on such earlier date after approval as the President may specify.

CRITERIA FOR ESTABLISHMENT OF AN EXECUTIVE DEPARTMENT

In his testimony on behalf of this bill, the Director of the Bureau of the Budget conceded that there are no exact criteria that can be easily or mechanically applied for determining at which stage of its development an agency or group of functions may merit departmental status. However, he pointed out that the Congress has generally applied certain tests in considering proposals to establish new executive departments.

These tests have related primarily to the first, permanence; second, size and scope; third, interrelatedness; fourth, complexity; and fifth, national significance of the programs to be administered. These are also the criteria that were applied by the Committee on Government Operations to the proposal now before us.

Departmental status has been given in the past to those agencies which—

First. Administer a wide range of permanent and complex programs directed toward a common purpose of national importance; and

Second. Are concerned with policies and programs requiring frequent Presidential direction and representation at the highest levels of Government.

The proposed Department of Housing and Urban Development fully meets each and every one of these criteria. Programs to be administered by the new Department are often criticized on matters of detail, and often amended, but there is widespread, bipartisan support for the programs themselves or for alternative programs to accomplish the same purposes. The Congress has time and again given clear indication that it considers the transferred programs permanent; and that statutory expiration dates and dollar limitations on authorizations are merely the devices by which we very properly exercise our traditional function of periodic review so that we can perfect the laws from time to time.

Similarly, even those who would make the most extensive changes in the enabling laws agree that the programs to be transferred to the new Department are vast in size and scope and that they are complex and interrelated.

It is abundantly clear, too, that the programs of the new Department have a tremendous impact on the national well-being of our people. All the planning, housing, urban renewal, and other community development programs of the new Department would be focused on helping in the provisions of good housing in good neighborhoods in well-planned communities with adequate open space and adequate mass transportation. Thus the programs are directed toward a common purpose of major national importance.

Not only do the programs that would be assigned to the new Department have a major direct impact on the health and

well-being of our people, but they have a tremendous impact on the Federal budget and on the entire national economy. As of the beginning of fiscal year 1965, the financial involvement of the Federal Government in all of the programs that would be transferred to the new Department was estimated at about \$67.5 billion. Since World War II, housing and related community facilities have accounted for a larger share of the net increase in investment than any other economic activity.

Furthermore, homebuilding, which is so greatly influenced by Federal housing programs and by general Federal fiscal policies, is a major industry which affects the entire economy more than through its own expenditures. It acts as a multiplier in generating income. For every man working on a residential construction site one other is engaged elsewhere in producing the countless items of material and equipment which go into the structure. Also, a new home generates many purchases of household equipment and furnishings.

Clearly, too, the activities of the proposed Department require attention and direction and representation at the highest level of government. By way of example, it is essential that the debt management activities of the Treasury Department be coordinated with the secondary mortgage market operations of the Federal National Mortgage Association and with a multitude of other Federal housing activities. Similarly, programs assigned to the new Department must be related to and coordinated with the programs being carried on by other agencies of the Federal Government which affect urban development. These include, to mention only some, Federal highway programs administered within the Department of Commerce, water, and air pollution programs administered within the Department of Health, Education, and Welfare, and outdoor recreation and conservation programs administered within the Department of the Interior.

THE ROLE OF HOUSING AND THE PLACE OF THE FHA IN THE NEW DEPARTMENT

During the hearings, a misunderstanding on the part of some witnesses came to light. They felt that the conversion of the Housing and Home Finance Agency into a Department of Housing and Urban Development would increase the importance of urban development in the Federal Government at the expense of the role of housing. That is to say, they felt that housing would be neglected in the new Department.

This misunderstanding is based on two erroneous premises. First of all, the change of name merely reflects a change that has already taken place in the functions of the present Housing Agency. The Agency, which is concerned with housing, urban renewal, community facilities, open space, and mass transportation, has long been a housing and urban development agency in all but name.

Second, housing functions and urban development functions are not separate and rival activities, but are complemen-

tary to each other. Obviously, a good home is not to be found in a badly planned neighborhood where shopping, sewer, water, and transportation facilities are inadequate and where recreational opportunities are lacking. Thus, the mission of the Department would be a single mission—that of providing good homes in good neighborhoods served by adequate public and community facilities.

Other witnesses appearing before our Committee expressed understandable concern that the Federal Housing Administration would somehow be downgraded in the Department.

For some 30 years, the FHA's regular mortgage insurance programs have provided a steady influence on the national flow of credit for sales and rental housing and for home repairs. With relatively minor modifications, FHA mortgage insurance, in addition to serving general housing needs, has helped serve the special housing needs of World War II military personnel and defense workers; has helped overcome the severe postwar housing shortage which faced our returning World War II and Korean war veterans; has helped gain widespread acceptance in the private financial market for cooperative housing; and more recently, has helped provide for housing in urban renewal areas and housing serving the special needs of persons displaced by urban renewal and of the elderly. These FHA programs have enlarged the role of private enterprise, assisting it to serve an ever-broadening share of the total housing market.

Accordingly, the committee found itself in full accord with recommendations made by the homebuilding and mortgage lending industries that there be incorporated in the legislation express provision for the private mortgage market functions of the new Department to be administered at an appropriately high level.

The bill as introduced provided for four Assistant Secretaries in the new Department to be appointed by the President, with the advice and consent of the Senate. The committee has adopted an amendment requiring that one of these Assistant Secretaries "shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market."

This amendment assures that the extremely important programs of the FHA, as well as those of its closely related sister agency, the Federal National Mortgage Association, will be administered at the assistant secretarial level.

Both of these agencies were created pursuant to—and administer programs authorized by—the National Housing Act. Indeed, a major function of the FNMA is to provide a secondary market for the mortgages insured by the FHA.

This amendment provides adequate assurance to all that private mortgage market programs will be administered at a sufficiently high level in the new Department. The programs are, in fact, upgraded under the bill. Besides being administered at the assistant secretarial level, they will receive the benefits of at-

tention and coordination by a member of the President's Cabinet.

Other witnesses had proposed, as an alternative to our committee amendment, that the FHA be transferred to the new Department with all its functions vested in a Federal Housing Commissioner appointed by the President. The Commissioner would exercise his functions "under the supervision and direction of the Secretary."

Our committee found the following important similarities in the two proposals:

First. Under both the committee amendment and the alternative proposal, the functions of the FHA would be administered at an appropriately high level, with the administering official being appointed by the President, confirmed by the Senate, and being paid at the assistant secretarial level of the Executive Salary Schedule.

Second. Under both, the functions would be performed subject to the supervision and direction of the Secretary of the new Department. The committee also found differences between the two proposals:

First. Under the committee amendment, the title of the administering official would be Assistant Secretary, whereas it would be Commissioner under the alternative proposal, with the alternative carrying a connotation of somewhat lower rank.

Second. And far more significant, the alternative proposal gives the appearance of establishing a semiautonomous FHA in the new Department. It does this by vesting the ultimate legal authority for the programs in the Commissioner, who is the subordinate official, rather than in the Secretary who is the head of the Department. And yet, it concedes to the Secretary full powers of supervision and direction.

The committee felt that the alternative proposal, by placing ultimate legal authority in a subordinate official, was patently self-contradictory. In view of the fact that the Secretary would have full power of supervision and direction under both the committee's amendment and under the alternative proposal, the only real difference that results from placing the ultimate legal authority in the subordinate official is to create an element of uncertainty and confusion with respect to the nature of the Secretary's supervisory powers.

Let me say here and now, as a former Secretary of a department, that I will never be a willing party to writing legislation that creates uncertainty and confusion concerning executive powers; I will never help write legislation that attempts to place final legal authority in one official, a subordinate, while leaving final responsibility in another official, who is the head of the department.

It is an elementary principle of good public administration that authority must be commensurate with responsibility. This principle was clearly stated by the first Hoover Commission when it recommended:

Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down

through every step of the organization and no subordinate should have authority independent from that of his superior.

One more word about the FHA. The FHA has, over the years, become a household word in this Nation. It has become known not only to mortgage bankers and homebuilders but to the public at large—including millions of people who have received the benefits of FHA mortgage insurance or FHA home improvement loans. There is great value in preserving this name, and I wish to assure the Senate that this will be done.

By letter dated June 10, and appearing at page 298 of the hearings, Mr. Charles L. Schultze, Director of the Bureau of the Budget, wrote, in response to my inquiry, that the Bureau is fully aware of the value of preserving the familiar terminology of the Federal Housing Administration. The Budget Director assured the Congress that the Secretary of the proposed new Department, whomever he may be, will so organize the Department as to provide "that the basic mortgage insurance functions will undoubtedly continue under the Department to be identified officially with the name Federal Housing Administration."

THE SCOPE OF THE DEPARTMENT

Our committee, of course, recognized that there are many Federal programs with a major impact on our urban areas that would not be assigned to the new Department. The bill is not intended to create a Department to administer all programs which concern our cities.

Indeed, there is not now a single department of the Federal Government that has jurisdiction over every Federal program that importantly affects its work. Inevitably, in a civilization as advanced and complex as ours, departments of Government that are primarily concerned with health, with natural resources, with commerce and transportation, and with urban development will find that their programs impinge on each other.

As the Director of the Bureau of the Budget stated:

The question of assigning a particular function to one agency or another is seldom clear cut. Almost always rationalizable alternatives are available, and frequently the choice is difficult.

I should be less than frank were I not to inform the Senate that these questions were indeed among the most difficult that this legislation presented to our committee.

As I have said, then, the primary mission of the new Department would be to encourage the provision of good homes in good neighborhoods adequately served by public and community facilities. The Director of the Bureau of the Budget expressed a similar view in writing to the Committee in answer to an inquiry when he said:

The primary mission of the Department is to carry out major functions relating to the improvement of the physical environment of the urban community and to provide a focus for executive branch efforts in this direction.

I do not imply, however, that the committee believes, or that I believe, that

urban development will be perfectly organized within the Federal Government upon the enactment of this bill. On the contrary—because improvements should be constantly sought—and because the fabric of the Federal Government is of complex design—the committee added to the bill as introduced an amendment which provides:

The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department.

In the field of housing, the bill makes no provision for transferring the Veterans' Administration home loan guarantee program or the Federal Home Loan Bank Board's programs to the new Department.

Problems relating to consistency between VA home loan guarantees and FHA mortgage insurance were solved many years ago. As this late date, more difficulties than benefits would result if we attempted to combine the long-range FHA insurance programs with the declining VA guarantee program. In the case of the Federal Home Loan Bank Board, the Committee on Government Operations concurred in the view of the Bureau of the Budget that there is no compelling reason for reexamining the determination made by the Congress in 1955 that the FHLBB should be an independent agency. That determination was based on the fact that the Board's work is in large part regulatory or quasi-judicial.

In any case, the issue is whether the functions that would be transferred to the new Department meet the criteria for establishing a new Department. Clearly they do. The issue now before the Senate is not whether additional functions ought to be transferred to the new Department. That determination can well await the President's study and recommendations called for by the bill.

The utter impracticality of organizing a single Department that would have jurisdiction over everything of importance to urban areas has led to a proposal. This is that there be established in the White House a coordinating office concerned with community development. It may be that the President will find merit in this proposal for reorganizing his White House staff; if so, he has ample authority to proceed. But, as I see it, the organization of the President's staff does not concern us here. And the merits of such a White House reorganization do not determine the merits of this bill.

The programs that would be transferred to the new Department meet all the criteria for the establishment of a Cabinet Department. This would be true regardless of whether the President might also find it useful to establish a White House office to assist him in dealing with various urban issues. For that matter, the establishment of the Department would, in itself, provide the President with one agency to help him in the coordinating of all Federal urban devel-

opment programs. Several provisions on program coordination in the bill make this clear.

One of these provisions was added by the committee. It would establish an Office of Urban Program Coordination in the Department. This Office would assist the Secretary in carrying out his responsibilities to the President—responsibilities with respect to achieving maximum coordination of the programs of various departments and agencies of the Government having a major impact on community development. The Director of this Office would, subject to the direction of the Secretary, establish and maintain close liaison with the Federal departments and agencies concerned, and would consult with State and local officials regarding urban development programs. The Director would have no power other than the power he derives from the Secretary; nor would the creation of this coordinating office within the Department in any way increase the power of the Secretary. His authority would flow from existing substantive law and from the President.

Secretaries of all the existing departments often speak for the President and exercise influence with respect to matters of concern to them within the entire executive branch. So would the new Secretary be expected, in the language of the bill, to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

CONCLUSION

Mr. President, I strongly urge the approval of this bill. Destiny—and our American resources and skills—have speeded our technical and urban growth. As a result we enjoy abundant blessings—and suffer some problems and difficulties.

Perhaps these very difficulties will prod us further to use our resources and skills to keep in step with the forces that have made us a great—and an urban—Nation.

Mr. President, the matter is now before us. Should we redesign the machinery of our Federal Government so that it will most effectively, efficiently, and economically do its work? Should we create the instrument we need in this time of great and rapid growth?

I feel we should.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as amended be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RIBICOFF. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Massachusetts [Mr. SALTONSTALL] proposes an amendment on page 4, line 8, after "activities;" it is proposed to insert the following: "upon the request of the Governor of any State, within sixty days of such request, hold an informal public hearing in any community of such State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be, or is being, carried out in such community;"

Mr. SALTONSTALL. Mr. President, the purpose of my amendment is very simple. It involves a question of procedure.

Under the bill as presented by the distinguished Senator from Connecticut [Mr. RIBICOFF], the new Secretary would have to consult and cooperate with various State governments. However, that is as far as the provisions of the bill go.

My amendment proposes to go a little further than that and to state:

Upon the request of the Governor of any State, within 60 days of such request, hold an informal public hearing in any community of such State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be, or is being, carried out in such community.

My amendment would permit the Governor of a State to request an informal public hearing in any community within his State regarding the way in which any program administered by this new Department is proposed to be or is being carried out in any such community. Such a hearing would have to be held within 60 days of a Governor's request so undue delay in the progress of any project would not occur.

I would not anticipate that a Governor would exercise his right to request a hearing very often. The majority might never do so. But the inclusion of this provision would give him an opportunity to request one whenever he felt the circumstances warranted it. This bill provides that the Secretary shall "consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects." It also provides that the Director of the Office of Urban Program Coordination shall consult with State, local, and regional officials and consider their recommendations with respect to programs affecting urban problems. These provisions are highly desirable because the States have a direct interest in the proper development and growth of the communities existing within them. We tend today to downgrade State government, and this, in my opinion, is harmful to us all.

My proposal would bring the Governors of our States somewhat deeper into

the process of assisting in achieving coordination in the rapidly expanding urban development program. This is especially desirable at a time when the Federal Government, through the new Department of Housing and Urban Development and the local governments, through newly enlarged planning development agencies, are strengthening their machinery concerned with urban development. It is essential that our statehouses participate in the coordinating process, since rapid urban growth has resulted in development projects which increasingly have important impact across city and county lines.

The amendment would affect projects aided by the new Department, such as public facilities, public housing, and urban renewal projects, which assist State or local public bodies or agencies. It would thus not affect programs such as those of the Federal Housing Administration and the Federal National Mortgage Association.

You will note that the language of the amendment specifies an informal public hearing. It is not my intention to require a formal hearing conforming to the provisions of the Administrative Procedures Act, and that is why the word "informal" has been added.

The proposed Department would administer four or five different housing bills. It would administer the bill which the President is expected to sign today. However, the Department would not cover all bills relating to housing or urban development.

I should like to go further than this amendment and give the Governor more power. However, to do that, we would have to change the law with respect to a number of rather extensive programs. It would be difficult for us to do that without extended hearings in great detail on each of the bills.

Therefore, I have filed the amendment in this way. I have discussed the amendment with the distinguished Senator from Connecticut. I hope that he will be able to accept amendment in its present form.

All that the amendment would do would be to give the Governor an opportunity to initiate a public hearing. It provides an opportunity for our Governors to do more than participate in consultations, when he feels a project would benefit from further examination. He could insure an informal public hearing. The Department would receive benefit from that public hearing, and the Governor of the State would have the opportunity to present any objections, recommendations, changes, or amendments.

My amendment would give the people of a community and State the opportunity to discuss a subject before it is approved.

Mr. RIBICOFF. Mr. President, I have discussed the amendment with the distinguished Senator from Massachusetts, who, like myself, was the Governor of a great State, and, who realizes the problems that many States face.

There is no question that many of these programs in local communities become the subject of heated and deep contro-

versy. I believe that the suggestion of the distinguished Senator from Massachusetts is sound.

This amendment would afford an opportunity to the Governor, when faced with the turmoil involved in a serious problem in any community, to allow the Federal officials who would be responsible for the program to come to the community, to hold a hearing, and to listen to both sides of the controversy.

I commend the Senator for formulating his amendment. On behalf of the committee, I accept the amendment offered by the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Connecticut.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Alabama proposes an amendment, on behalf of himself, Mr. McCLELLAN, Mr. MUNDT, and Mr. TOWER to S. 1599:

On page 5, after line 8, to insert the following new paragraph:

"There shall be in the Department a Federal Housing Administration headed by a Federal Housing Commissioner, who shall be appointed by the President, by and with the advice and consent of the Senate. The Federal Housing Commissioner shall have such duties and powers as may be prescribed by the Secretary."

Mr. SPARKMAN. Mr. President, the amendment would add language to the bill to require that the new Department of Housing and Urban Development contain a Federal Housing Administration headed by a Federal Housing Commissioner appointed by the President. The Commissioner would have such duties and powers as prescribed by the Secretary of the new Department.

This is a very simple amendment with one purpose—to preserve the present name and functions of the Federal Housing Administration.

I have introduced this amendment because of my concern for the treatment of the Federal Housing Administration and possible harm to its programs over the years under the proposed language of the bill. For over 30 years, the Federal Housing Administration has been the backbone of our housing programs. Starting with a limited program to insure mortgages on individual homes, the FHA's responsibilities have gradually been broadened as this Agency has demonstrated its ability to stimulate pri-

vate mortgage investment in an ever-increasing range of housing activities. I am proud to have been chairman of the Housing Subcommittee of the Senate Banking and Currency Committee which has helped provide solutions to the housing problems of this Nation both urban and rural. Because of my experience on this committee, I am particularly aware of the importance of this Agency's activities. I am gratified that this program has so proven itself that the Government Operations Committee could state in its report on S. 1599 on page 26, that "rarely, if ever, is a voice now heard to advocate the repeal of the Federal Government's basic programs of mortgage insurance for private housing." FHA has indeed so proven itself that the concepts of its operations can be said to be uniformly supported by all Members of Congress; although, we may at times be divided with respect to the details of certain of its programs.

I think it is equally important to recognize that industry has supported the Federal Housing Administration and its activities to an increasing extent over the years. In its earliest days, FHA's mortgage insurance was viewed with skepticism by many in the financial community. However, as the years have gone by, FHA through its sound management following actuarially defensible criteria has established itself with a wide range of investors and brought well over \$90 billion worth of their money into the mortgage market. Even today new forms of investment such as our growing pension funds are just beginning to invest in volume in FHA insured mortgages. I cannot emphasize enough, with the increased need for housing facing us in the coming generations, how important it is to maintain this vital flow of private investment in home mortgages.

The Government Operations Committee has shown appropriate concern for this matter and on page 14 of the report urges the Secretary to utilize such programs as mortgage insurance to encourage and supplement private credit recognizing the fact that the private market must continue to account for the great bulk of all housing and credit extensions. They go on further to say that this type of emphasis in the administration of the mortgage market programs of the department is essential not only to preserve and strengthen the ability of the free enterprise system to allocate resources efficiently, but also to avoid placing unnecessarily large burdens on other programs of the department.

The amendment I offer is designed to assist in encouraging and supplementing this private enterprise objective. The five organizations representing the major producers, servicers, and holders of both conventional and Government guaranteed and insured mortgages have all pleaded for an amendment to preserve the status of FHA. These organizations are: The U.S. Savings & Loan League; the American Bankers Association; the National Association of Mutual Savings Banks; the Mortgage Bankers Association of America; the Life Insurance Association of America.

Let me point out that none of these organizations has opposed the creation of a Department of Housing and Urban Development. All they have asked is that adequate recognition be given to the ability of private enterprise to contribute to our efforts and that the future of FHA, which has served so well, be assured by appropriate language in the bill and not be left to the discretion of present and future administrators.

During this year I think all of us have been approached on numerous occasions by representatives of these groups expressing their concern for the future of FHA under this legislation. Various amendments to the legislation have been proposed and considered by the committee. One of these providing for an Assistant Secretary to administer private mortgage finance programs has been adopted by the committee. Another proposed by the Mortgage Bankers Association and other groups which would have transferred the Federal Housing Administration intact to the new Department vesting in the FHA Commissioner all duties and authorities accorded to him under the National Housing Act has been turned down by the committee. My amendment offers a compromise between these two positions. It has not, to my knowledge, been considered by the committee. Because I agree that proper language in the bill establishing the status of the Federal Housing Administration is necessary, I offer it here for consideration today.

Surely all of us are agreed that the important FHA mortgage insurance activities should be continued. Despite the fact that the bill before you makes no specific provision for the continuation of the FHA name or the office of an FHA Commissioner, we are advised that the Director of the Bureau of the Budget has written giving his impression that the Secretary would continue the basic mortgage insurance functions of FHA intact. A portion of his letter is quoted on page 9 of the committee report. Let me point out that this statement is not really meaningful for this bill deals only with organization and not with programs. Barring changes in the National Housing Act the Secretary would have no alternative but to continue these basic mortgage insurance functions. What we are concerned with is the administrative entity within the Department which will carry on these basic mortgage insurance functions. We are interested in seeing a coherent group of people working together in an environment attuned as much to private enterprise considerations as to the social evils that our programs are designated to correct. This has been the success of the FHA program which has made the FHA insured label on a loan like the word "sterling" on silver. When you deal with savings banks, insurance companies, pension funds, and others who hold in trust the savings of thousands of small people, you are not dealing with businessmen who rely solely on a Government guarantee. You are dealing with people who, because of their position of trust, must consider not only the value of that guarantee but the qual-

ity of the paper which it guarantees. I believe it is important that we provide language in this bill which makes it mandatory to continue a Federal Housing Administration and a Federal Housing Commissioner within the Department, so that no one in future administrations will feel that they can ignore the report language and rely on the vagueness of the legal language of the bill as it stands presently.

The Government Operations Committee in its report on page 8 indicates that it took a strong exception to the amendment proposed by the Mortgage Bankers Association on the basis that it would vest authority in a subordinate official independent from that of his superior. They state in their report that they consider it "patently self-contradictory to place ultimate legal authority in a subordinate official rather than the head of an agency." I want to point out that the amendment I propose would not do this. The language is specific in this amendment that the FHA Commissioner would have such duties and powers as may be prescribed by the Secretary.

In summary, I believe that my amendment overcomes the major objections which the committee had to the amendments proposed previously by the Mortgage Bankers Association and other industry groups, and at the same time translates into law the intentions for administrative organization which have been expressed by the Director of the Bureau of the Budget. It would give us lasting assurance that the FHA would continue to function as a coherent organization carrying on the mortgage insurance functions which we in the Housing Subcommittee feel are so important to the ultimate success of the achievement of our housing objectives. Let me also point out that in considering bills to create a Cabinet post in previous years both the Senate and House Government Operations adopted amendments similar to this for reasons similar to those I have given. I believe it would be entirely appropriate to do so again.

I believe it is a good amendment. It would not interfere with the operation of the new Department in the event it were established. At the same time we would preserve the integrity and the very heart of the whole housing construction program, which has, by and large, sustained the entire Federal program for housing and urban development.

FHA, with its companion organization, FNMA, are self-supporting Government institutions which have provided a tremendous housing program to this country, without costing the Government 1 cent.

All we seek to do is to preserve the integrity of the FHA organization within the new Department.

Mr. RIBICOFF. Mr. President, over the past month I have had considerable discussion on this question with the distinguished Senator from Alabama. I do not believe there is a person in the entire United States, let alone in Congress, who is as knowledgeable in the field of

housing as the distinguished Senator from Alabama.

I was concerned, at one time, with vesting authority in the FHA Commissioner which would be separate and distinct from that of the Secretary.

I know from my own experience as Secretary of Health, Education, and Welfare that this is a situation that never should be allowed to prevail, because the Secretary should be the person with the final authority in any Department.

One of the defects in the organization of the present Housing Agency is that the Administrator has only the power of "general supervision and coordination" in connection with the activities of FHA and PHA.

The Commissioners of FHA and PHA each have independent statutory authority with respect to the operations of the organizations they head and the administration of the programs assigned to these organizations.

The bill transfers these authorities to the Secretary.

It is essential that the head of the Department have authority commensurate with his responsibility to Congress and the President under the bill for achieving the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's urban and metropolitan areas; assisting the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan community development; encouraging the solution of problems of housing and of urban development through State, county, town, village, or other local and private action; and providing for full and appropriate consideration, at the national level, of the needs and interests of the Nation's urban and metropolitan areas and of the people who live and work in them.

In this connection, the first Hoover Commission recommended:

Under the President, the heads of Department must have full responsibility for the conduct of their Departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

I am in full accord with this view and therefore opposed the original amendment which vested authority in the Housing Commissioner under the Secretary's supervision and direction.

What the Senator from Alabama has done in his amendment as it is now drafted is to definitely set out that the duties and powers of the Federal Housing Commissioner would be those which would be prescribed by the Secretary. He would have no independent authority over and above that of the Secretary. Therefore, the reason for my objection to the original amendment has been removed.

In behalf of the members of the committee I am pleased to accept the amendment of the Senator from Alabama and to take it to conference.

Mr. SPARKMAN. Mr. President, I am grateful to the Senator both for his comments regarding me, and for his willingness to take the amendment to conference. I believe it is a good amendment. It has been worked out in such a way that it will not interfere with the orderly operation of the Department.

I earnestly hope that the conference will agree to it.

Mr. MUNDT. Mr. President, I have associated myself as a cosponsor of this amendment. I have done so because I feel that the reasons behind such a proposal are logical and compelling.

From a functional analysis of the concept of Housing and Urban Development, it is clear that such a Department should include the Federal Housing Administration. This important agency has been the bulwark of the free enterprise system in its efforts to provide the private investment needed in the home mortgage field. It is presently responsible for over \$90 billion of investment funds in the mortgage market. Such a sizable contribution has lightened the burden of other Government departments that also deal in housing programs. The FHA should and will continue to provide this needed source of revenue, but I think all of us will admit that the overall effectiveness and coordination of the housing program would be weakened if the FHA were not included in this proposed Department of Housing and Urban Development and all the horses would not be working in the same harness, so to speak.

Sponsors of this legislation have indicated that the Secretary would continue the basic mortgage insurance functions of FHA. I do not believe that we should leave such a basic decision, which includes the future of a tried and true organizational concept, to the whim of subsequent administrators. We want to insure not only the continuation of a function—mortgage insurance—but also that that function will continue to be handled by an agency which will rely upon private investment. This amendment will provide such insurance by closing a loophole in the proposed bill.

Mr. President, the adoption of this amendment will also retain in Congress some of the responsibilities for the housing programs. It will make the FHA Administrator answerable for the policies of that agency when he appears before us.

Why is this necessary? The reason is that there is every likelihood that the housing functions of this Department could be neglected in favor of other urban programs—many of which would reach giveaway proportions, if the dream of the promoters comes true.

The opening statement by the distinguished chairman of the subcommittee, Senator RIBICOFF, outlines some of the far-reaching authorities which this Department may demand in the future. While the sponsors of the bill piously disclaim that this bill will do nothing else than promote the Housing and Home Finance Agency to a Cabinet status, it is doubtful that anyone really believes this.

Senator RIBICOFF in his opening statement said, in outlining some of the problems of the cities:

And there is no end in sight to the need for more schools, more highways, more hospitals, more sewerage and water facilities, and more and better programs to house our urban population and improve our communities.

He then went on to say:

The pollution of water supplies and thousands of tons of smog a day continues to threaten our health and safety. Clogged city streets and inadequate transportation facilities continue to plague the shopper and commuter. Roadside slums, junkyards, and neon nightmares disgrace our civilization.

Now, if the promotion of the HHFA to Cabinet status will solve any of these problems, then Congress ought to know more about how it will be done. Surely it cannot be done under the present authority of that Agency—and no one proposes, now, to give it that authority. It can only be conjectured that the blueprint for expansion of that Agency's power has been drawn and quietly pigeonholed for later presentation.

I think our committee should have questioned the head of that Agency about such objectives. We should have asked the Administrator, who has been prominently mentioned as the first new Secretary of that Cabinet post, what he may want in the way of new authority, or what powers he feels he will have by sitting in a Cabinet chair that he does not now have. I do not understand why Mr. Weaver was passed over as a witness when he ought to be the one best authorities on the entire problem.

For these reasons, I feel that the trend toward pouring more money into the big cities for problems other than housing will accelerate. I fear that housing may fall by the wayside, that the functions of FHA may not be fully implemented, and therefore suggest the safeguard of this amendment.

In closing let me emphasize what has been mentioned by other sponsors of this amendment. We are heading into an era of greatly expanded housing needs. Literally thousands of low- and middle-income families will be building new homes. To construct such homes mortgage insurance will be needed. In the past the FHA, which has developed the confidence of the business community as represented by thousands of small investors in insurance companies and pension plans, has demonstrated that they can meet this need. Now is not the time to experiment with a concept, tamper with the organization of an agency, or provide an opening for the dilution of our housing resources.

Mr. TOWER. Mr. President, I support, as a cosponsor, the amendment offered by Senator SPARKMAN. One of the objectives in establishing the Department of Housing and Urban Development is to be the creation of an agency which would "encourage the maximum contributions by vigorous private homebuilding and mortgage lending industries to housing, urban development and the national economy."

And Mr. President, I am convinced that the retention of the Federal Housing Administration as an administrative entity within the Department will indeed

stimulate the maximum efforts of private enterprise in the field of housing.

The FHA has played an outstanding role in underwriting private mortgage investments since its inception in 1934. It can well be said that the FHA has been the backbone of our housing programs now for over 30 years, and its success has made the "FHA-insured" label on loans comparable to the word "sterling" on silver.

The FHA has demonstrated its ability to stimulate private mortgage investment in a variety of housing programs. The result has been the increasing support of industry. And while viewed with skepticism by many in the financial community at its beginning, it has established itself through sound management with a wide range of investors, including insurance companies, mutual savings banks, and in recent years, pension funds.

Today, we have a plentiful supply of funds available for investment and a desire to see them invested within our country, rather than overseas. We should therefore do everything within our power to preserve the FHA as an effective means of channeling private funds into the housing market.

In addition to our need for domestic investments, our increasing need for housing in the coming generations compels us to maintain this vital flow of private investment in home mortgages. The private market must certainly continue to account for the great bulk of all housing and credit extensions.

The construction industry has been greatly stimulated by the existence of the FHA and itself hires many of our unskilled and semiskilled workers, providing them with opportunities for self-improvement through apprenticeship programs. Thus, we can see that the effects of FHA activities are indeed far-reaching.

Mr. President, it would indeed be foolhardy for us to tamper with the organization of an agency which has proved its ability to stimulate private investment in homes, apartments, elderly housing projects, nursing homes, and all of the other things which make up the FHA programs.

We must keep in mind that the FHA has served us well and that it operates without cost to the taxpayer, supporting itself entirely out of income from premiums and fees. It provides an effective device for channeling mortgage funds from "credit surplus" to "credit short" areas and serves a broad range of income groups.

In effect, the FHA has handled virtually the entire burden of housing problems of the past, and certainly should not be relegated to the status of a subordinate when it continues to provide a unique function necessary to the well-being of any broad housing program. And in order to perform this function in accordance with its past and present high standards, it is necessary that the FHA remain an administrative entity, although a working part of our new housing development program.

The many aspects of our economy affected by the FHA would suffer a tremendous blow if its efforts were diminished in any way. We cannot afford to let this happen. Our perspective must not be dulled by our concern with providing better housing for our needy. It must instead be sharpened if the problem is to be solved. Private enterprise has made great strides in the elimination of poverty in the past and should not be hindered in this pursuit in the future. The weakening of the FHA, in my opinion, would also weaken our private enterprise system and the subsequent benefits provided our economy as a whole.

Therefore, Mr. President, I urge the Senate concur in adopting this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I am strongly in favor of S. 1599, a bill to establish a Department of Housing and Urban Development. I believe the Committee on Government Operations has done an excellent job in reviewing this important piece of legislation. The committee report, which recommends our favorable consideration of the bill, is a scholarly and objective examination of the basic issues involved in this proposal.

The idea of a Department of Urban Affairs is nothing new. As a matter of fact, it has been pending before the Congress for 10 years, the first proposal having been introduced in the 84th Congress. Volumes of testimony have been taken, and it is fair to say that the proposal is one of the most thoroughly analyzed subjects of our day.

Perhaps it was inevitable for Congress to take its time on this matter, for the creation of a Cabinet-level department involves more than the reorganization of the executive branch or tidy administration. It is also a formal ratification of the Department's function and a recognition of its lasting importance. It is, in a real sense, the final stamp of legitimacy.

The history of our Cabinet departments parallels the history of our country. We have come a long way from the days of Washington's administration when the entire State Department consisted of Thomas Jefferson and four clerks. At that time, the Attorney General was actually a private attorney hired on a retainer basis for the sum of \$1,500 per year.

Our early problems of internal improvement and westward expansion led to the establishment of the Department of the Interior in 1849. The millions of farmers who carved out their homesteads on our western plains were served by a Department of Agriculture which achieved Cabinet status in 1889. The rapid industrialization of our country and the rise of the labor movement saw the creation of the Departments of Commerce and Labor in 1913. And the efforts of the New Deal to help each citizen to participation in the abundance of American life led to the creation in 1953,

during a Republican administration, of a Department of Health, Education, and Welfare.

Today, many of our most important and perplexing problems are associated with the growth of the American city. We have changed from a rural society to an urban society. Seven out of every 10 Americans live in urban areas; only 1 in 10 lives on a farm.

This rapid growth of the city has left in its wake a host of problems with which our communities are struggling. They include clearing slums and building decent housing for low income families; reserving adequate space for parks and recreational areas in our overcrowded metropolitan centers; designing and building transportation systems which are the servants and not the masters of their customers; guiding and controlling urban sprawl in order to serve the needs of the entire community; investing in basic community facilities to meet the requirements of future growth; rebuilding and revitalizing our central cities; and keeping our rivers, our lakes, and the air free from pollution.

Cities, Mr. President, were built for people, to serve the needs of people. They are not a cancer upon civilization, but the very expression of our society. Much of our wealth, talent, and cultural achievements are located in our great urban centers. The health of our Nation can be measured by the health of our cities. If we permit our cities to decay—if we fail to preserve their vitality and diversity—if we fail to accord urban problems their proper recognition at the Federal level—our entire Nation will falter and decline.

And so I welcome the proposal to create a Department of Housing and Urban Development. What this bill does is to elevate the existing Housing and Home Finance Agency to Cabinet status. We are not enacting any new programs nor are we creating a new bureaucracy. We are not even transferring or consolidating urban related programs in a single agency, although this certainly deserves further examination.

We are, instead, merely changing the name of the Housing and Home Finance Agency and raising it to Cabinet status. This is the Agency which has insured home mortgages for millions of American families through the FHA; it has helped thousands of impoverished families to obtain a decent place to live through the public housing program; and it is helping hundreds of cities and towns to make their communities better places in which to live.

The fact of Cabinet status, however, will do much to rededicate our efforts to help the American city solve its problems. It reaffirms our desire to continue our housing and urban programs. It increases the degree of importance we attach to urban affairs. It provides a long delayed recognition that the priority accorded urban problems is on a par with the other programs conducted by our established departments of Government.

I believe the time has come, Mr. President, to ratify the 20th century. I believe it is time we had a Department of Housing and Urban Development. This

bill has my unqualified support and I commend it to all my colleagues.

Mr. MONDALE. Mr. President, the Senate is now considering a bill to create a Cabinet-level Department of Housing and Urban Development. Despite its title, this new Department is not simply for our large metropolitan cities alone. It is also of major importance to our fast-growing suburban areas and to the smaller cities of America.

The new Department of Housing and Urban Development will bring together under one roof existing agencies dealing with urban problems, for example, the Community Facilities Administration, the Federal Housing Administration, and the Urban Renewal Administration. Streamlining the needlessly complex bureaucratic structure that presently exists will eliminate much waste, confusion, and inefficiency. And it will coordinate and improve the existing programs, bringing us out of the administrative horse-and-buggy age into the space age. Bringing these agencies together under one roof and giving the new agency high-level Cabinet status will allow us to focus our energies and efforts on the growing problems of urban and suburban life.

Beyond this advantage, the Department will be required to provide technical assistance and information, including a clearinghouse service, to aid non-Federal agencies in developing solutions to local urban growth problems. In addition, the Department will undertake to encourage State and local agencies to discuss and formulate comprehensive planning for the needs of their areas so that the problems of growth and decay can be discussed and met with full participation of those from the cities and the suburbs.

When our U.S. Constitution was adopted only 5 percent of our people lived in urban areas. Today 70 percent of us live in urban and suburban areas and within 35 years both the geographical size and the populations of our urban and suburban areas will double.

In the Twin Cities area, for example, nearly three-fourths of the people lived within the Minneapolis and St. Paul City limits in 1950. Today the population of the two cities remains constant, but the population of the suburban areas has nearly doubled.

And with the trend of population in Minnesota from rural to urban—from 66 percent rural in 1900 to less than 38 percent today—the problems of Minnesota urban and suburban areas have doubled and tripled.

Our cities are showing natural signs of old age, while our suburbs suffer from sprawling growth and boisterous expansion. Anoka County, once predominantly farm country but today a major Twin Cities suburban area, had a population increase of nearly 142 percent between 1950 and 1960. And it is still growing.

These booms create problems. And our local areas are hard pressed for the funds to meet the rising costs of providing such necessary municipal and local services as clean water, efficient sewage disposal, schools, roads and streets, snow removal, and police and fire protection.

Local tax rates across the Nation this year are running about 140 percent higher than just 15 years ago. The same is true of State taxes.

These overwhelming pressures upon our urban areas are real and dangerous. Central cities have rundown and deteriorating housing and buildings—some lack plumbing, running water, and are substandard. Our suburbs across the Nation are consuming 1 million acres of new land each year, mushrooming beyond belief. They will soon be needing 2 million new homes a year, schools for 10 million additional children each year, transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

These needs are obvious and real. And they can only be met if State, local, private, and Federal initiative all combine in an intensive, concerted effort to solve these problems. The magnitude and complexity of these problems is so great that a fragmented and piecemeal approach will no longer be sufficient if the Federal Government is to be an equal partner with States, cities, and private groups in meeting these needs.

Many years ago we created a Department of Agriculture to deal with rural affairs. Today there is the same need to create a department to deal with urban affairs. Thus, I am most happy to be able to vote for a bill which will allow the Federal Government to fully and effectively meet its responsibilities in this area in partnership with our States and cities and suburbs.

Mr. MONTTOYA. Mr. President, we are considering a bill of vital importance to the continuing development of the rural electric cooperatives. These pioneer systems have performed an outstanding job in raising the living and working standards of rural America. Enactment of S. 1459, which exempts cooperatives and nonprofit membership organizations financed by the Rural Electrification Administration from the jurisdiction of the Federal Power Commission, will assure that these organizations will not have to assume the burden of regulation by two agencies of the Federal Government.

From the earliest days of the rural electrification program until 2 years ago, the Federal Power Commission made no move to assume jurisdiction over the operations and activities of the rural electric cooperatives. This was in complete accord with the intent of Congress, which did not place REA-financed rural electric systems under the jurisdiction of the FPC when the Rural Electrification Act was passed in 1936. During the debate on this act, consideration was given to the idea of conferring concurrent authority on FPC and REA to conduct certain rural electrification studies. This concept was rejected, which clearly implies that FPC jurisdiction was considered and discarded.

On several occasions, bills and amendments to bills have been introduced in Congress to bring various phases of REA activities under the jurisdiction of the FPC. None of them were enacted.

However, in 1963, the Federal Power Commission, without benefit of legisla-

tive authority, made a move to bring the rural electric cooperatives under its jurisdiction. Since that time, the rural electric systems of this country have had to invest hundreds of thousands of dollars—and the time and effort of many of their officers, employees, and attorneys—in preparing statements, legal briefs, and testimony on this matter. The money and effort could have been more fruitfully used for the benefit of the consumer-members of the rural electric systems.

The electric cooperatives are providing service in approximately 2,700 counties in the United States. Because of the thinly settled rural areas in which they serve, the rural electric cooperatives have built and operated more than 50 percent of all pole miles of distribution line in the United States. Yet they serve only 8 percent of the consumers.

Before REA was created, only 3.3 percent of New Mexico's farms had central station electricity. As of June 30, 1964, that figure stood at 89.4 percent.

By the beginning of this year, the Rural Electrification Administration had approved loans totaling nearly \$129 million, of which almost \$103 million had already been advanced, to 18 rural electric systems in my home State. These funds have been invested by the borrower systems in local electric facilities, including about 25,000 miles of line to serve over 65,000 farm and other rural consumers.

New Mexico's rural electric systems have accomplished all this without Federal Power Commission jurisdiction. Enactment of S. 1459 will assure that the rural electric systems will be able to continue to meet the power needs of their consumer-members and provide area coverage service to all without being subjected to the harassing trials that could accompany the imposition of FPC procedures and requirements onto their operations.

I urge enactment of S. 1459 as reported by the Senate Committee on Commerce. The Senate should reject any efforts to amend this bill by incorporating the provisions of S. 218, which would not help the rural electric systems but which would destroy the ability of the Federal Power Commission to exercise its regulatory authority over the commercial electric utility companies.

Mr. KENNEDY of Massachusetts. Mr. President, the most remarkable thing about this piece of legislation, establishing in our executive branch a Cabinet-level Department of Housing and Urban Development, is that it is still pending legislation. Every Congress since the 84th has included a similar proposal. President Kennedy in 1961 sent Congress draft legislation on this subject, and reiterated its importance in messages to Congress in 1962 and 1963. And President Johnson both in 1964 and in March of this year reemphasized to Congress the need for such an establishment.

Each time the issue has come before us the case has been made and, I think, persuasively so, in favor of enactment. And, each time that we have hesitated, in my judgment, we have failed in our responsibilities to the 135 million Americans who live in urban America. We can ill afford to procrastinate any longer.

So much has been said and written in the last few years about the crisis of our cities that it would serve no good purpose for me to belabor what must be by now obvious to all of us.

The facts can be simply stated. Ours is an increasingly urban Nation expanding at an explosive rate. This massive expansion in urban population coupled with the problems created by an unplanned but rapidly advancing technology are placing enormous pressure on our cities, towns, counties, and States. There is an unending need for more and better facilities—schools, highways, hospitals, sewerage systems, reservoirs, and more and better planning programs for housing and community development.

The end objective of all these urban programs remains as Congress declared it in 1949:

A decent home and a suitable living environment for every American family.

But our time is running out. This objective seems more distant today than when it was first proclaimed some 16 years ago. Unplanned growth and decay are outstripping our efforts at orderly planning and renewal. Our cities and local and State governments lack both the resources and often the jurisdictional authority to devise adequate solutions to this array of uniquely 20th century problems. The cost of local services often outstrip the capacity of the local taxpayers to support them, and metropolitan Boston provides a good illustration of how political jurisdictional limitations prevent areawide solutions. Although the Metropolitan Boston area includes more than 80 independent governments, the entire eastern part of the State from Newburyport to Worcester to New Bedford is really a single independent regional unit. The same could be said for virtually every other urban complex in our country. Yet these complexes lack the jurisdictional authority necessary to coordinate their planning.

The entry of the Federal Government into this area was thus inevitable. But Federal assistance efforts have been piecemeal and sporadic. Since the Housing and Home Finance Agency was created 18 years ago to coordinate FHA mortgage insurance programs and Federal aid to local public low-income housing projects, more than 40 Federal programs have been established—many widely different in techniques and subject matter—to deal with various facets of community development. Unfortunately the value of these programs has been substantially diminished by the lack of coordination among them.

During my service as a Senator, I have seen the difficulties which arise out of separate administration of these diverse programs. Time and again, mayors and officials of cities and towns in Massachusetts have come to Washington with comprehensive plans for their communities. These plans may involve urban renewal, slum clearance, housing and other matters, but they are all part of one coordinated plan of community development. These officials find when they bring their unified plans to Washington they must apply at six or seven separate agencies, they must make sep-

arate applications and wait for separate decisions.

The end result of this fragmentation is an enormous waste of time and effort both on their part and on that of the Federal Government. But our urban problems are too serious to afford such waste.

Communities must be able to find in the Federal Government a central clearinghouse which can provide technical assistance and information and coordinate Federal assistance and planning of community development activities. Such a clearinghouse will make it possible, for the first time, for communities to be made aware of all the existing Federal aid programs available to them in their planning. A central urban Department will provide the encouragement and the incentive for each of our metropolitan areas to develop their own comprehensive development plans and such a Department would be equipped to conduct extensive creative studies in search of better urban programs.

Finally, and of most importance, giving this Department Cabinet-level status will make possible a three-pronged attack on urban problems. By placing in the highest council of the Federal Government a spokesman for the Nation's urban interest, we highlight what has been apparent for many years—that the measure of success of our American civilization will be a function of our capacity to create an urban life of high quality for our citizens.

At the same time, we make it possible for urban planning and development to be coordinated with the programs of other Cabinet departments which bear on the future of our cities.

Finally, and contrary to the views voiced by opponents of this legislation, I believe the creation of a Cabinet-level Department will strengthen, not weaken, the partnership between Federal Government and the States and cities.

As the report of the Committee on Governmental Operations explained:

The establishment of the Department does not in any way connote any bypassing or reduction of the constitutional powers and responsibilities of the States under our Federal system of Government.

Indeed, it is my view that the effect of the establishment of the Department will be to stress the importance of urban development at all levels of government, thereby increasing the status of such Department at the State level and thereby increasing the degree of coordination possible at all levels.

It is for that reason that I applaud the committee's initiative in adopting an amendment to the bill expressly providing for cooperation between the new Secretary and the State governments. It may well be that these considerations will provide an important impetus to the development of the regional planning which many of us here in the Senate consider so vital to the future.

Similarly, those of us in the Senate representing States in the northeast corridor alone will be involved with the mass transit of 15 million people in an area covering less than 2 percent of our country. To accommodate these future

needs we must be planning now and coordinating and integrating such transportation plans into an overall program for urban development.

I do not wish to be misunderstood. I am not suggesting that the mere creation of a Cabinet level department is the answer to all the problems associated with urbanization. Solutions to these problems will require all the leadership, patience, intelligence and imagination of which we are capable. But the creation of such a department is most assuredly a move forward in the right direction.

More than a century ago, the Department of Agriculture was created to deal with the problems of rural America, and faced with the new frontier of the West, the Department of Interior was established to channel our territorial expansion in a constructive and equitable manner. Today, urban America is our new frontier and the time has long since passed when we can afford to ignore that basic fact.

We should pass this legislation without further delay.

A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IS NEEDED

Mr. GRUENING. Mr. President, the bill we are considering today would create a new and needed Department of Housing and Urban Development. I support S. 1599 and believe its enactment will help the Nation develop a workable program under which our urban communities and metropolitan areas can be modernized and properly planned.

We know that the need exists for such a department. The vast majority of our citizens live in urban areas, and in the decades ahead we may expect the problems of these areas to increase.

The Committee on Government Operations, of which I am a member, considered S. 1599 carefully. The able chairman of the Subcommittee on Executive Reorganization [Mr. RIBICOFF] knows first hand the difficulties encountered in the heavily populated areas of the urbanized Atlantic seaboard.

But the headaches of urbanized living are not confined to the eastern sector of our vast Nation. We are an urban Nation. More than two-thirds of our population today, more than 130 million Americans, live in urban areas which cross city, county, and State lines. Urban sprawl is not the exclusive possession of one community. East coast Americans in increasing numbers live nearly house to house, door to door from north of Boston as far south as Norfolk.

In the west, a similar sort of megalopolis covers much of the Pacific coast in the State of California.

In his eloquent message on the cities which President Johnson sent to the Congress on March 2, the President said that the modern city can be the most ruthless enemy of the good life, or it can be its servant.

The choice is ours. I believe we will make the proper choice and give our approval to S. 1599.

In his message on the cities the President said:

In the remainder of this century—in less than 40 years—urban population will double, city land will double and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

Our need is acute. The challenge we face is enormous, but I am convinced that we can meet it and meet it we must.

For far too long we have talked about meeting the needs of our urbanized areas.

In 1962 on February 20 I spoke in favor of the President's Reorganization Plan No. 1 of 1962 which proposed the creation of a department similar to the one we are discussing today. At that time I said:

Commuters from Connecticut and New Jersey work in New York City offices. Their homes in urban areas are not in New York State. Similar conditions prevail as Philadelphia secretaries often live in nearby New Jersey, or as Chicago businessmen return home in the evening to their houses on the outskirts of Hammond, Ind.

These conditions exist today—3 years later. They have not changed, indeed, they have become aggravated because our population has not remained stable. The 184 million persons comprising our population have grown to more than 192 million.

We need to coordinate the services we have which can help communities plan to meet their growing needs. We need to make our Federal aids more manageable and we must let the communities know these aids exist and are obtainable, not bound in meaningless redtape.

Report No. 536 which accompanies S. 1599 contains a finding by the Congress that the establishment of a Department of Housing and Urban Development is desirable in order to—

Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities;

Assist the President in achieving maximum coordination of the various Federal activities which have a major effect on urban or suburban development;

Encourage the solution of problems of housing and urban development through intergovernmental cooperation at the State, regional, and local level and through private action; and

Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

The needs of the Nation anticipated in the less than 4 decades before we arrive at the year 2000 A.D. include new schools, new homes, and new roads, new sewers, new transportation systems, to name but a few. We can start down the road to meet these needs by approving S. 1599.

A Department of Housing and Urban Development would benefit Alaska. Farming there, thus far, has been limited so our rural population is sparse. Hence, the division between urban and rural scarcely exists in Alaska, though many communities are small, being only villages. Between them are vast, uninhabited spaces of national forest or public domain. Suburban areas have mush-

roomed near the larger cities along such highways as lead out from them.

Our League of Alaskan Cities endorsed the concept of uniting the programs for the urban areas some time ago because its able staff knows the value of such a department to our fast growing cities.

The legislation came up 3 years ago and was defeated by a small margin. But the problem that it aims to remedy has grown as has the public consciousness thereof. If more were needed to insure passage of this needed and overdue legislation it is supplied by President Johnson's dynamic leadership.

Mr. KENNEDY of New York. Mr. President, I hope the Senate will vote to approve the creation of a Department of Housing and Urban Development.

It is important to view this legislation not as an end in itself, but as a beginning. Cabinet-level status for all of the housing, urban renewal, and mass transportation planning functions of the Housing and Home Finance Agency is, of course, long overdue. Over 70 percent of our population now lives in urban areas. The Federal programs which affect the growth and decay of the environments of 135 million Americans deserve the added stature that Cabinet-level administration will give to them.

But S. 1599 offers more than that. It offers a hope for the development of coordination among all of the departments and agencies of the Federal Government which administer programs that relate to the urban development process. It specifically contemplates that the Secretary of Housing and Urban Development and his subordinates will play a part in coordinating the urban affairs of the entire Government. Full coordination will not be achieved immediately and automatically, but the bill does point the way. It makes clear that the Secretary of Housing and Urban Development is to be the President's sensory apparatus for all Federal programs which affect community development. And the committee report charges the new Secretary with a duty to engage in continuing evaluation of the relationship between the programs he administers and the complementary or overlapping programs that are administered elsewhere in the Government. The report further suggests the adoption of procedures and regulations to take account of these cross-overs, so that a formal organization for coordination can be developed. This effort will take time, but at least we are now creating the mechanism for beginning it.

S. 1599 offers a starting point for at least four different kinds of coordination:

First. Coordination within the Federal Government as to broad policy aims in regard to community development.

Second. Coordination within the Federal Government in the administration of specific programs relating to community development.

Third. Coordination of Federal, State, and local efforts affecting community development.

Fourth. Coordination at all levels, particularly at the local level, in the planning of particular projects.

The bill is a starting point in another major aspect. It directs a continuing study of urban development programs throughout the Government, with a view to possible broadening of the mission of the new Department. Of course, it is not possible to bring every Federal program which affects the urban development process into this Department—the new Department would soon swallow up the rest of the Government if that were contemplated. Nevertheless, there are undoubtedly other programs which should be in the new Department, and the bill takes that possibility into account.

I want to compliment the Senator from Connecticut [Mr. RIBICOFF] on the able way in which he handled this matter in committee. I serve under his chairmanship on the subcommittee which considered the bill, and I therefore had the opportunity to observe the manner in which he patiently resolved conflicting views and kept the bill on the track. The end result, in my judgment, is an improved bill, one which will be a major step forward in the Federal Government's way of dealing with urban problems.

I urge the Senate to pass this important measure.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I have discussed with the distinguished minority leader, the Senator in charge of the bill, and other interested Senators, the possibility of a unanimous-consent agreement which I am about to propound.

Mr. President, I ask unanimous consent that at the conclusion of the prayer tomorrow, there be a time allocation of 1 hour on each amendment, the time to be divided between the proponent of the amendment and the distinguished Senator from Connecticut [Mr. RIBICOFF], the Senator in charge of the bill, and 1 hour on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective after the prayer on Wednesday, August 11, 1965, during the further consideration of the bill S. 1599, to establish a Department of Housing and Urban Development, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Connecticut [Mr. RIBICOFF]: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be con-

trolled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

ORDER FOR RECESS UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is anticipated that later today the Senate will proceed to the consideration of the proposed amendment of the Atomic Energy Act of 1954; and shortly thereafter the Peace Corps conference report.

Following the conclusion of the consideration of the pending bill tomorrow, the military pay bill will be made the pending business. We hope to dispose of that bill tomorrow as well.

DESIGNATION OF THE PERIOD FROM AUGUST 31 THROUGH SEPTEMBER 6 IN 1965 AS "NATIONAL AMERICAN LEGION BASEBALL WEEK"

Mr. MUNDT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate Joint Resolution 100, which has now been reported to the Senate.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 100) to provide for the designation of the period from August 31 through September 6 in 1965 as "National American Legion Baseball Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. MANSFIELD. Mr. President, the joint resolution is a well-deserved tribute to the State of South Dakota and to the city of Aberdeen, which has been a hot-bed of American Legion baseball.

It is also a tribute to the sagacity, the perseverance, and the determination of the distinguished senior Senator from South Dakota, as well as the fulfillment of a promise kept by the distinguished Senator from Illinois [Mr. DIRKSEN], chairman of the Subcommittee of the Committee on the Judiciary, which reported the measure. The Senator from Illinois is a man who is known through-

gan with one man firing a single shot, the shot heard around the world. No government fired that shot, no paid soldier pulled the trigger. The shot was fired by an individual, and the shot proclaimed "I am a free man." Yes, freedom began with an individual.

So, if there is in this audience today, someone with teenage children, perhaps you will be good enough to explain to them what I have tried to say to you.

Since this generation has chosen to abandon freedom, perhaps someone in the next generation will choose to stand up as an individual and fire a shot heard around the world, a verbal shot, if you please, which will choose freedom over security.

I dearly hope so.

A CHRISTIAN MINISTER SPEAKS OUT ON VIETNAM POLICY

Mr. THURMOND. Mr. President, because of the fact that a number of clergymen have been participating in some of the "peace at any price" demonstrations against taking a firm stand in Vietnam, an impression has been created that a firm stand in Vietnam may be un-Christian and does not, therefore, meet with the approval of the clergy in this country.

The Calhoun Times of St. Matthews, S.C., has printed in its August 5, 1965, issue an outstanding defense of U.S. involvement in Vietnam by Rev. Wallace N. Taylor, pastor of the First Baptist Church of St. Matthews.

I ask unanimous consent, Mr. President, that Reverend Taylor's statement be printed in the Record at the conclusion of these remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

[From the St. Matthews (S.C.) Calhoun Times, Aug. 5, 1965]

REVEREND TAYLOR SPEAKS OUT ON VIETNAM POLICY

(EDITOR'S NOTE.—The following letter was written by the Reverend Wallace N. Taylor, pastor of the First Baptist Church of St. Matthews. It was written by Reverend Taylor in response to a form letter he received from Edwin T. Dohlborg for the Clergymen's Emergency Committee for Vietnam. We commend Reverend Taylor for the stand he has taken on the matter. Our only wish is that we had more ministers for Christ who would also take this stand rather than joining in civil rights debates and the like. Reverend Taylor's letter is as follows.)

SPEAKING OUT: A CLERGYMAN'S DEFENSE OF OUR INVOLVEMENT IN VIETNAM

In recent weeks we have had a great deal of discussion on the U.S. involvement in Vietnam. Recently many young men and women demonstrated in Washington, carrying placards upon which were printed "Get Out of Vietnam," "We Won't Fight in Vietnam," and so forth. In participating in this demonstration these young people have been encouraged from various sources.

One of these sources has been the clergymen. Many of the clergymen have been saying, "we should get out of Vietnam." Recently I received a letter from Dr. Edwin T. Dohlborg, former president of the National Council of Churches. I understand that this letter was sent to a number of ministers. Writing for the "Clergymen's Emergency Committee for Vietnam" of the Fellowship of Reconciliation, Nyack, N.Y., he urged us to express ourselves "as it was important that the President should know how the leaders in our Nation's religious life feel about this country's involvement in

Vietnam." The religious leaders were being asked to help communicate this information to the White House. It was further stated that according to the New York Times, President Johnson "carries around in his pocket a series of private polls of public opinion on American policy in Vietnam."

In Dr. Dohlborg's letter we were asked to check one of the following:

1. I favor intensifying and extending the war in Vietnam.

2. I would like the United States to initiate efforts now to negotiate peace in Vietnam.

It may be noted that neither option gives any hint that there is anything evil about Communist aggression nor that the United States should be commended for coming to the defense of self-determination of a small nation. It might be pointed out that clergymen who are opposed to our involvement in Vietnam aren't always opposed to the use of Federal force. In the recent demonstration in Alabama many of these same clergymen—who oppose our involvement in Vietnam—were highly in favor of the show of Federal force in Alabama.

I strongly protest the kind of pressure now being exerted upon President Johnson by many ministers urging us to get out of Vietnam. Not long ago in Australia a group of ministers were reported to have made their protests of the U.S. involvement in Vietnam known to one of their national leaders. He rebuked them and told them they did not know all that was involved. Many clergymen appear today to think themselves to be infallible and qualified to speak on any subject.

We are in Vietnam because North Vietnam does not respect the sovereignty of South Vietnam and North Vietnam is committed to aggression. To permit Communist aggression in Vietnam is to say to the Communists, we will permit aggression anywhere in the world wherever you make a move. Many of our clergymen seem to want peace at any price and never condemn Communist aggression or ever seem to understand the nature of its threat. In Vietnam as elsewhere we should stand to defend freedom against aggression and slavery.

As a Christian I see no conflict in my position in regard to what the Bible teaches regarding war. In fact, while studying for the ministry in 1943, I left college and went into the Army. I served in combat in Europe with the 26th Infantry Division receiving three battle stars, the French Fourragere and the Purple Heart. I had four brothers who served in the Armed Forces and would have felt ashamed to stay home and let them offer their lives for my freedom. I see no conflict in a Christian serving in the Armed Force nor of using these forces anywhere they need to be used to stop aggression.

While I do not glory in war, I feel that there may be occasions when it is the lesser of two evils. There are occasions when a particular war may be a just war, and it would be a Christian's duty to engage in it. Sometimes we are confronted by two alternatives, neither of which is Christian, both are evil but one is less evil than the other. Sometimes it is less evil to go to war than to go and let the enemy hold in slavery millions who want to be free.

From a Biblical viewpoint we notice that the children of Israel were commanded to engage in warfare. In the New Testament there is no specific word against warfare. After Christ healed the Roman captain's servant (Luke 8:13), he commended the soldier for his faith and said nothing to him against his military profession. John the Baptist had Roman soldiers to ask him what they must do to prepare for the Messiah; he told them but gave them no lectures on the sinfulness of soldiering and the wickedness of war (Luke 3:14). In the Book of Acts, chapter 10, is recorded the conversion of Cornelius. There is no mention that as a

Christian he could no longer serve his country as a soldier.

If a nation would preserve its independence today, it is necessary for it to maintain a national police force. The purpose of such a force is to preserve order, peace, and to protect its rights and the rights of smaller nations. When justice, peace, and integrity are endangered a nation must use its army.

In the world crisis today there are spiritual values that are at stake. We must resist that which would destroy us and destroy as well the faith that has made our Nation great. Judging from what communism has done wherever it now enslaves, we should face frankly the fact that should it control the world the Christian witness could survive only through the suffering and martyrdom of faithful disciples. Freedom for ourselves and for our children are worth dying for. Thank God for our men now giving themselves in Vietnam for our freedom. We should stay in Vietnam as long as it takes to let the Communists know we won't stand for aggression. If need be we should intensify our efforts there to win the war against aggression.

Pacifism has been tried as a national policy by other nations throughout history only to find that sooner or later you have to stand up to aggression or a nation will lose its freedom. For a nation to be weak and irresolute is to invite failure. If the Communists understand only the language of military power then we must give them a lesson in their own language.

Should we get out of Vietnam? No, a thousand times no—not until the Communist world sees that we mean business and ceases their aggression.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. THURMOND. Mr. President, there is no stated need by which the creation of a new Cabinet Department of Housing and Urban Development can be justified.

Two words which are much in the news these days are appropriate in considering S. 1599, which would create such a department. These two words are "proliferation" and "escalation."

The creation of a new Cabinet-rank Department of Housing and Urban development is but a further step in the "proliferation" of Government agencies and resultant employees. The proposed new Department would perform no functions which are not already being performed by existing Government agencies. It must be assumed that the duties and responsibilities of existing agencies are being performed adequately, or else their continued existence or present staffing would have to be considered in jeopardy.

If this legislation is approved, "escalation" of the duties and responsibilities of the agency will naturally follow. The Cabinet-ranking Department has a way of generating proposals and ideas designed to extend its influence and further ingrain its power over new and expanded areas of concern. Many of these would be responsibilities and duties not contemplated upon the creation of the Department.

The bill presents a fundamental question of policy and constitutional author-

ity. Although there is a multitude of Federal programs now on the books relating to urban and municipal problems, the primary authority and responsibility for dealing with these problems on a day-to-day basis remains with local officials. Over the past few years, the Federal Government has encroached upon these local responsibilities to an ever-increasing extent. The pending bill, if enacted, would indicate a shift in the primary responsibility from local to Federal officials. This would be detrimental to effective and responsive local government.

The primary justification advanced for the creation of the Department of Housing and Urban Development is the rapidly increasing urban population and the increased urban problems which are created thereby. This is said to require a Cabinet-level voice to represent the interests of this segment of our population. To fortify this conclusion, reliance is had on statistics which show that at the time of the adoption of the Constitution, only 5 percent of the population was in the urban areas. Today, the urban population has grown to 70 percent. From now to the year 2000, it is estimated that approximately 80 percent of the population increase will occur in urban areas.

Admittedly, these are impressive statistics. Nevertheless, an important point is conveniently overlooked in dealing with people only as statistics. The increase in urban population is accompanied by an increase in productivity and in the tax base needed to meet the financial burdens of the area. The increase in population provides all the potential resources required for the urban areas to meet their own responsibilities, if they are correctly utilized. By no means least among the potential gains from population increases is the manpower, both mental and physical, required to cope with the challenge.

Mr. President, I want to stress the use of the term "responsibility." Not only do the urban areas have the authority to solve their own local problems, but they have the duty and responsibility to do so.

The pending bill would do no more than to superimpose a Cabinet position upon existing Federal agencies. The Cabinet position is designed to be the focal point in the administration and coordination of urban programs now on the books. While the proper interagency coordination of urban programs is a desirable goal, this is not the best, or even a proper way of achieving the desired result. There are dangers inherent in such a position which mitigate against its creation.

Coordinating all Federal programs affecting urban areas under one department head would create a vehicle so powerful at the national level as to make a mockery of local authority and responsibility. Cities, towns, and counties would tend to rely more and more on assistance, both financial and otherwise, from the national level for the solution of local problems. Local initiative would take a back seat to Federal direction and supervision.

Another danger inherent in the proposal to centralize all urban affairs under a Cabinet officer is the bypassing of State officials. The Department of Housing and Urban Affairs would, in most instances, deal directly with local officials and the responsible officers of the State would have little, if any, voice in the affair. The better approach would seem to be encouraging the States to assume a more responsible attitude toward their political subdivisions. When the National Government is organized to exert more power over urban activities, State involvement will naturally decrease. The authoritative and responsible role of the States in assisting in local urban affairs would be ended. Intergovernmental relations would become a matter of two levels of operations, Federal-local, and lead to a dominance by the National Government, which must be avoided.

Mr. President, the proposed new Cabinet Department of Housing and Urban Development is not desirable because it prescribes a permanent expanding role for the National Government in areas where private enterprise would and should do the job. Urban renewal funds, which would be under the jurisdiction of the new Cabinet Department, are being increasingly used for nonhousing renewal. There are many Members of Congress who question the desirability of using a larger percentage of these funds to build office buildings and other such projects. There is a strong likelihood that an expanded urban renewal program under the Department of Housing and Urban Development will more and more concern itself with the construction of urban and commercial facilities rather than housing.

The Department of Health, Education, and Welfare is a striking example of the type of escalation which can be expected if this new Cabinet-level Department is created. In the few short years since its creation, the Department of Health, Education, and Welfare with all its subsidiary agencies has increased its expenditures by more than 300 percent. The employment in the Department has more than doubled and the payroll costs have almost quadrupled. It is obvious that the same growth rate will result if Congress creates a new Cabinet-level Department of Housing and Urban Development.

Mr. President, aside from those reasons, I remind the Senators that many of the programs to be administered by the new Department are of doubtful constitutionality.

Nowhere in the Constitution of the United States is there reference to the authority of the National Government to subsidize city or county government, or the government of any other subdivision of a State.

There is, therefore, very serious question as to whether a bill such as this would be constitutional.

For these reasons I am opposed to S. 1599. I ask the Senate to reject the bill.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The Senator from Oklahoma is recognized.

Mr. HARRIS. Mr. President, as a

member of the Subcommittee on Executive Reorganization of the Committee on Government Operations, I should like to respond briefly to the arguments made by the distinguished senior Senator from South Carolina. These arguments are matters of substantial concern for us all. They were considered most carefully by both the subcommittee and the full Committee on Government Operations.

The pending bill is a very simple one. It would not increase the jurisdiction of the departments involved, nor would it carry with it the requirement that additional funds be spent. However, it would simply, for reasons of efficiency, responsiveness, and responsibility on the part of the Government, place these various activities concerned, functions already being performed by the Federal Government, under one department with Cabinet status, and, furthermore, focus emphasis upon the tremendous needs in the urban areas of the country.

The agricultural and rural needs of the country have long been recognized by virtue of the provision of Cabinet status for the Department of Agriculture. I come from one of the great agricultural States of the country. I believe that it is well for the rural and agricultural needs of the country to be handled by a department with Cabinet status. But, Mr. President, some 70 percent of the people of this country now live in metropolitan areas. It is estimated that before very long 80 to 85 percent of the people of this country will live in metropolitan areas.

I am not certain that that is a good thing. I wish that people still lived back in the rural areas and in the small towns to the degree they used to. Their problems then were much less than they are now in the great centers of mass population. However, the fact is that they do not live in the rural areas and small towns to the extent they once did. The people live in metropolitan centers. The Government must face up to the facts of life. I believe that the Government must today give Cabinet status to those functions of the Federal Government in which an attempt is made to come to grips with the great problems of our urban areas and the centers of mass population.

The other argument was that this would reduce the authority of the States and municipalities. Some other opponents consider that the new Department of Housing and Urban Development would be a rival to State and local governments.

I point out that the distinguished and able chairman of our subcommittee, the Senator from Connecticut [Mr. RIBICOFF], is himself a former Governor of his great State.

In addition to that service, and service in the U.S. Senate, the Senator from Connecticut has also served as a Cabinet officer. The Senator from Connecticut understands rather well the respective responsibilities of States, municipalities, and the Federal Government. That philosophy, recognizing the rights and responsibilities of all divisions of gov-

ernment, is written into this bill. Furthermore, the distinguished Senator from Maine [Mr. MUSKIE], a member of the full Committee on Government Operations, is chairman of another subcommittee of the Committee on Government Operations, the Subcommittee on Intergovernmental Relations. He also knows rather well the responsibilities of the various governmental divisions. That is very carefully protected in the bill.

The bill, and the new department, would in no way change either the Federal law or the State or local laws which govern the relationship between the Federal Government and States and localities.

The present program of Federal aid to localities in the field of housing and urban development requires federally aided projects to comply with State and local laws. Indeed, the aided projects are carried out either by private enterprise, which is subject to State and local law, or by State or local governmental agencies, which are themselves the creatures of State law.

All that the pending bill would do would be to organize Federal functions affecting urban development in such a way as to enable the Federal Government to work more efficiently with State and local governmental agencies.

Many State and local governments have already reorganized their own housing and urban development functions in a manner similar to that now proposed for the Federal Government.

Growing State interest in urban development is recognized by a provision of the bill which would require the Secretary of the Department to consult with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems.

Another provision in the bill makes it clear that the activities of the new department would run to the housing and other development problems of local communities, both large and small, without regard to their population or their corporate status, except as may be expressly provided by substantive law.

Being deeply concerned about the growing problems in the centers of mass population, I join many other Senators in support of this bill.

It has been pointed out time and again that most of our population now live in our cities, and that during the next 15 years, the population of our cities will increase by 30 million people.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HARRIS. I yield.

Mr. RIBICOFF. I commend the junior Senator from Oklahoma for the constructive work he has performed in helping to bring this bill to the floor of the Senate.

The Senator from Oklahoma attended our hearings. He worked diligently with us in the marking up of the bill. His amendments to the bill emphasizing the importance of free enterprise were highly constructive. They were agreed to by the subcommittee and the full committee.

The Senator from Oklahoma was deeply concerned that we did not forget the role of private enterprise in the developing of our great urban areas. We must not forget, that while Government programs and policies continue to grow, the problems of our cities need the help and cooperation of private enterprise and private industry.

It was this understanding of the basic problems of America, in our communities large and small, that prompted the distinguished Senator to introduce his amendments. I take this opportunity to commend the junior Senator from Oklahoma for the constructive work he has done on this bill.

Mr. HARRIS. I thank our distinguished chairman and more than reciprocate by saying his chairmanship was most fair and thorough in the consideration of this important measure. Except for his great interest and background, I am certain the bill would not be before the Senate in the fine form in which it now is.

We are not getting the job done now. The problems of our metropolitan centers are becoming more serious. All around us is evidence that we are not adequately meeting these problems, the shortage of housing—particularly in low-income brackets—the shortage of water in many areas, the traffic congestion, and the lack of adequate transportation systems in many major cities, the pollution of our streams, the dangerous pollution of the air we breathe, the crowded classrooms in our public schools, the spreading of slums, the strain on our present health and welfare facilities, all these are apparent to those who look closely at the situation.

Many of our cities are reeling under the burden of financing the rapid growth and fighting the forces of decay. Municipal taxes have increased 140 percent in the past 15 years, with similar increases in State taxes, and some cities are limited by law on the amount of revenues which they can raise.

Governmental activities seeking to cope with problems such as housing, transportation, water supply, and urban development now are handled by a myriad of uncoordinated Federal agencies. The purpose of this bill—S. 1599—is to bring these agencies together in a common and coordinated effort, with Cabinet status, and I believe that its passage will be most helpful in bringing about an orderly development and redevelopment of our major cities.

Transferred to the new Department of Housing and Urban Development under this bill will be the functions of the Housing and Home Finance Agency and its Administrator, including the urban renewal, urban planning, and open-space programs of the present Urban Renewal Administration and the urban mass transportation program, the public facility and other loan programs of the Community Facilities Administration. Also brought under the new Department will be the authority now vested in the Federal Housing Commissioner and the Public Housing Commissioner. The Federal National Mortgage Association would be merged into the new Department.

This bill received close and careful study by the Senate Government Operations Committee and Executive Reorganization Subcommittee, on both of which I serve. The Executive Reorganization Subcommittee, under the able and thorough chairmanship of the distinguished Senator from Connecticut [Mr. RIBICOFF], held extensive hearings on the bill, hearings which, I believe, brought out the definite and immediate need for such legislation.

Several amendments were adopted, including one which I authored to encourage private enterprise in the housing field and another I was very interested in to preserve the identity of the Federal Housing Administration. I believe the bill was strengthened by committee amendments, and it is my hope these amendments will be retained.

For more than a decade Congress has considered bills to establish an executive department concerned with housing and urban development. Our cities have grown bigger, and their problems have grown bigger during this period. I submit, Mr. President, that the time for consideration has passed and the time for action has arrived.

NEW ERA FOR METROPOLITAN MAN

Mr. JAVITS. Mr. President, the forgotten man in America in the 1960's is the metropolitan man, and this bill, to establish a new executive Department of Housing and Urban Development, moves us today a long way toward helping to recognize the metropolitan man. The bill represents the dawn of a new era for the metropolitan man and offers new hope for the solution of his many complex problems.

To me today is analogous to the time when there was created a Department of Agriculture to represent an important productive part of our country; when we organized the Department of Labor and recognized the need for considering the desires and needs of organized labor on a Cabinet level.

The pending bill represents a recognition of the problems of the metropolitan man. The metropolitan man who lives in crowded housing, travels to work on an outdated and failing commuter train that is rarely on time, who struggles bumper to bumper to faraway recreational facilities has not received the attention which he deserves. The young family fleeing to the suburbs to escape slums, high crime rates, polluted air and a myriad of other city problems deserves immediate help for his problems. Intelligent and resourceful planning by both government and private enterprise can solve these problems. The bill, of which I am presently a cosponsor and have supported in the committee and whose objectives are similar to S. 3292, which I first cosponsored along with Senators CLARK of Pennsylvania and WILLIAMS of New Jersey in the 86th Congress, gives long overdue recognition to the importance of metropolitan and urban problems in this Nation's economy. It provides machinery to assist the President in coordinating the many complex Federal programs—particularly in the housing and urban physical devel-

opment fields—but also in other areas of urban interest.

Over 70 percent of our population—135 million Americans—live in urban areas. When the Constitution was adopted, 5 percent of our people lived in urban areas. Fifty years from now, it is expected that 320 million of a possible 420 million population will live in such areas. It is certainly time for the critical problems affecting this exploding segment of our population to be given the highest priority attention by a Cabinet Department. As the President's message to the Congress on March 2, 1965, on urban problems depicts the metropolitan crisis—two giant and dangerous forces are converging on our cities—the forces of growth and decay. The strip of land from southern New Hampshire to northern Virginia contains 21 percent of America's population in 1.8 percent of its area. On the west coast, the Great Lakes and the Gulf of Mexico, other urban centers are growing. The problems of the metropolitan man in exploding America are deserving of the upgrading which this new executive department will provide.

The bill which we are working with today does not provide the answer to all the problems of the metropolitan man. As the then Director of the Budget, Kermit Gordon, testified before the Executive Reorganization Subcommittee on March 31, the bill does not seek to propose any new programs;

It does not modify or repeal existing programs. It deals entirely with the President's need for an administrative instrument to facilitate both the formulation and the execution of public policy in the broad fields of housing and urban development.

The Senator from Connecticut [Mr. RIBICOFF] is to be highly commended for his outstanding work to secure favorable action on this bill and equally so for his recognition that much remains to be done with respect to the organization of a Department of Housing and Urban Development. The bill which the committee reported out is a stronger bill than in its original form in that it recognizes the need for considering the inclusion in the Department of other Federal agencies whose functions concern the development of urban areas. The bill also provides machinery through the creation of an Office of Urban Program Coordination, which I proposed, for the coordination of the some 60 Federal programs of various departments and agencies having a major impact on community development. This office, created to assist the Secretary of the Department in carrying out his responsibilities, is intended to enable the Department to keep in touch and coordinate all urban development programs operated by the Department and those operated outside, such as the interstate highway program, the area redevelopment program, airport planning and development, transportation programs in the Department of Commerce, and physical development programs in the Department of HEW as well as the antipoverty program.

The need for increasing the coordination role of the Department had been strongly emphasized in the House of Rep-

resentatives and in testimony before the Government Operations Committee of both Houses. In describing the purpose of this new Office of Urban Program Coordination, the committee report states:

The committee believes that the Office will be an extremely important source of assistance to the Secretary in enabling him to carry out his coordinating responsibilities. In providing assistance to the Secretary of the Department, the Director of the Office would, under the committee amendment, make such studies of urban problems as the Secretary shall request, and would develop recommendations relating to the administration of Federal programs affecting community development. The Director would, in carrying out his responsibilities, (1) establish and maintain close liaison with the other Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to community development programs.

The need for eventually bringing under the jurisdiction of the Department many of the other urban programs should not be overlooked in acting on the bill today.

Another amendment which I proposed was the creation of an Urban Interagency Advisory Council composed of certain Cabinet Secretaries and heads of independent Federal agencies concerned with community development programs to advise the Secretary of the new department with respect to developing proposals for improving existing and creating new programs for the various Federal agencies. Rather than requiring that the composition of this advisory group be locked into the statute, it was suggested that such a body could be created with greater flexibility by means of an Executive order and in view of this belief the amendment was not pressed. Accordingly, I hope that such an Urban Interagency Advisory Council will be established to insure maximum effectiveness and coordination of programs affecting urban areas.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RIBICOFF. I take this opportunity to commend the Senator from New York for his long interest and constructive work to make possible the proposed Department. In all fairness it should be pointed out that the Senator from New York realized that there are omissions from the bill and the fact that there remains much to be done in coordinating efforts.

I believe that the amendments of the Senator from New York, which were adopted unanimously by the subcommittee and the full committee, makes this a better bill. The Senator from New York, as always, is a constructive force in marking up his bill, and his suggestions were very much valued and I wish to praise the outstanding work he did to make the bill possible and to bring it to the floor today.

Mr. JAVITS. I am very grateful to the Senator from Connecticut. I know of nothing I would rather be commended for than for my interest in this bill. I am a child of the big city, and I know what it means to live there, and how complex and difficult are a city's problems.

The Senator from Connecticut has performed an outstanding job of leadership and creativity in marshaling the necessary support for the bill and in blending the ideas and in helping to construct a better bill than we have ever had before on this subject.

The pending bill may prove to be one of the finest efforts the Senator from Connecticut has ever made in his most distinguished career as Governor, Cabinet member, and Representative.

While the Federal Government can do much in solving the problems of the metropolitan man, State and local governments, closest to the people can do much also. The bill expressly encourages the role in community development of States and localities and sections 2 and 3 of the bill specifies that the new Department is intended to work with and assist the States and county governments in coping with their responsibilities to urban growth. The President's message on urban affairs recognized that the vast bulk of resources and energy, of talent and toil, in solving community development programs will have to come from State and local governments.

It is vitally important that the States and local authorities utilize to the fullest their capabilities and do not, merely because of the creation of this new Department, defer to the illusion that a new executive department in Washington will solve all their development problems. Local government enterprise as well as private enterprise have important roles in the problems of our metropolitan areas as S. 1599 clearly recognizes, and such efforts must be stimulated. Local creativity should not be impeded by the philosophy of "let Washington take care of the whole problem." The constructive partnership of Federal, State, and local governments in this area must grow. We cannot afford a let down of local and private initiative.

The Federal Government has not moved as quickly as some would have wanted to meet the Nation's responsibility to the cities. Today millions of Americans live in giant metropolitan areas which ignore State lines. For example, the metropolitan area of New York extends into Connecticut and New Jersey—with each State having its own problems in the fields of housing, transportation, community facilities, recreation to name only a few. It is clear that no one State can legislate for such a metropolitan area.

I believe that the newly created Department ought to place a major focus on regional planning for our metropolitan areas. While S. 1599 does expressly encourage regional planning, it is vitally necessary that efforts to further implement regional development be undertaken by the Department. While a number of programs such as the section 701 planning grants under the Housing Act, mass transit assistance, and community facilities programs operated by the Department contain regional planning requirements, the Department should, on its own, implement regional coordination and planning. I believe this might be carried out by the new Department through creation of metropoli-

tan councils established within each of 12 geographical regions, similar in size to the Federal reserve system areas, composed of Federal, State, local, and community leaders. Each metropolitan council would concern itself with the particular problems of its area and would provide specific regional planning recommendations for the tailoring to the respective area of Federal programs such as urban renewal, community facilities, area redevelopment, interstate highways, and mass transportation. The regional councils would study the particular area problems and provide reports and information to the Secretary of the new Department. The metropolitan councils could also operate grant programs financed by the respective areas.

In the New York area, several regional authorities already exist: the bistate Port of New York Authority, and the Tristate Committee of the Governors of New York, New Jersey, and Connecticut to coordinate transportation planning. Metropolitan councils could work along with such existing authorities and supplement their contributions.

I hope that the Secretary of the new Department will give careful study to this proposal of metropolitan regional planning machinery such as metropolitan councils and will do all possible to implement the express intent of S. 1599 to further this concept.

Mr. President, with further reference to the serious need for coordination of urban programs to which I referred, I ask unanimous consent that there may be made a part of my remarks a list of some 60 programs in the various Government agencies concerned which might be coordinated by the Office of Urban Program Coordination within the new Department. A compilation of such programs is contained in the report of the Government Operations Committee of the House of Representatives on a similar bill, in pages 46 to 49 of that report.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY

Housing for the handicapped.
Community facilities grants and loans.
College housing loans.
Public works planning.
Low-income housing demonstrations.

Office of Transportation

Mass transit.
Public Housing Administration, Urban Renewal Administration
Urban renewal.
Open space and land preservation.
Urban planning.

AGRICULTURAL DEPARTMENT

Agricultural Marketing Service

Special milk program for children.
School lunch program.
Direct distribution of surplus food.
Food stamp program.

COMMERCE

Area Redevelopment Administration

Public works acceleration.
Public facility grants and loans.
Industrial and commercial loans.

Bureau of Public Roads

Interstate Highway System.
Relocation payments.
Highways.

Community Relations Service

Civil right disagreements.

DEFENSE

Department of the Army

Civil defense.
Flood emergencies.
Flood control land revenue sharing.
Water reservoirs.
Park and recreational facilities.
Beach erosion control and shore protection.
Flood control and prevention.

HEALTH, EDUCATION, AND WELFARE

Office of Education

Civil defense.
Federally affected public schools.
Manpower development and training.
Higher education facilities.
Vocational education—specific fields.
Vocational training.
Sciences, mathematics, and modern foreign languages.
Educational guidance, counseling, and testing.
Educational statistics of State and local governments.
Education of mentally retarded and other handicapped children.
Captioned films for the deaf.
Library services and construction.
Educational research, surveys, and demonstrations.
Educational television, radio, motion pictures, and related media.
Student loan funds.
Guidance institutes.
Institutes for advanced study.
Work-study programs.
Adult basic education.
Desegregation of public education.
Basic scientific education grants.
Basic research grants.

Public Health Service

Community mental health centers.
Mental health activities.
Mental retardation facilities.
Community health services.
Community health activities.
Air pollution control and prevention.
Radiological health research and institutional training.
Radiological health.
Waste treatment works construction.
Water pollution control programs.
Occupational health.
Vital statistics.
Health professions education.
Hospital and medical facilities.
Health research facilities construction.
Narcotics.
Nurse training.
Public Health personnel.

Welfare administration

Public assistance programs.
Training of public welfare personnel.
Child welfare services.
Maternal and child health services.
Crippled children's services.
Juvenile delinquency and youth offenses control.
Teaching materials for the blind.
Work experience programs.
Refugee assistance.

INTERIOR DEPARTMENT

Outdoor recreation

Outdoor recreation projects.

Bureau of Reclamation

Water reservoirs.
Irrigation.
Water resources research.

LABOR DEPARTMENT

Bureau of Employment

Unemployment compensation.
Employment Service and Unemployment Compensation Administration.

Bureau of Labor Standards

Labor standards.
Work training programs.
Manpower development and training.

FEDERAL AVIATION AGENCY

Airport planning and development.

OFFICE OF ECONOMIC OPPORTUNITY

Community action

Assistance for migratory agricultural workers.
Community action programs.

Job Corps

Vocational training and basic education.

Mr. JAVITS. The other point which I should like to mention is the fact that the new Department is directed—and I emphasize the word "directed"—by section 3(b) to do two things:

First. To consult and cooperate closely with State governments—and I hope that the mandate will be taken seriously by the new Secretary.

Second. Provision in 3(b) which is important, is the encouragement given to private enterprise. We specifically spell it out—that private enterprise serve a larger part of urban development needs. Again I hope that the Department will understand the seriousness with which we take this particular provision.

Mr. President, I hope very much that whoever the President appoints as the Secretary, whose nomination will be confirmed by the Senate, will have a deep understanding of the fact that perhaps the hallmark of this whole century will be the culture and development of the cities in art, music, literature, education, as well as in the physical development and that millions of people in close relation to each other can live together not only in peace and mutual understanding, but also in comfort and happiness. This will be one of the greatest things which will have been proved by this century; and the new Department of Housing and Urban Development upon which we are acting today will go a long way toward helping make it a reality.

AMENDMENT TO ATOMIC ENERGY ACT OF 1954

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business may be laid aside temporarily, and that the Senate turn to the consideration of Calendar No. 513, H.R. 8856.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8856) to amend section 271 of the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

Mr. PASTORE. Without losing my right to the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, H.R. 8856 would amend section 271 of the Atomic Energy Act of 1954, as amended. The five-member Atomic Energy Commission unanimously supports this bill, as does the Justice Department. The Joint Committee on Atomic Energy unanimously recommends that this bill be enacted, and the House of Representatives passed it overwhelmingly on July 29, by 275 to 125—to use a worn-out statement, better than a 2 to 1 vote.

H.R. 8856 would amend section 271 of the Atomic Energy Act for the purpose of clarifying the language of that section to conform to the intent of Congress. I might add, incidentally, that this bill is identical to a bill—S. 2103—presently on the calendar, cosponsored by Senator HICKENLOOPER and myself. As amended, section 271 would provide that nothing in the Atomic Energy Act of 1954, as amended, shall be construed to affect the authority of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power produced through the use of nuclear facilities licensed by the Atomic Energy Commission. This bill would also make it clear that nothing in section 271 shall be construed to confer on any Federal, State, or local agency any authority to regulate, control, or restrict activities of the Atomic Energy Commission.

This bill is necessary because of a decision last May by the U.S. Court of Appeals for the Ninth Circuit—overruling a lower Federal court—which held that Congress had intended by enacting section 271 of the Atomic Energy Act to subject the Atomic Energy Commission to local ordinances pertaining to the generation, sale, or transmission of electric energy. The court was of the view that absent such congressional intent, the AEC would not be subject to such local ordinances, because of AEC's immunity as a Federal agency under the supremacy clause of article VI of the Constitution.

I ask unanimous consent that the statement of the Senator from Iowa [Mr. HICKENLOOPER] on the subject of the intent of Congress be printed in the RECORD at this point. The statement is found at pages 51 to 53 of our committee's hearings.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT SUBSEQUENTLY PLACED IN THE RECORD BY SENATOR HICKENLOOPER

Mr. Chairman, I wish to submit a statement concerning S. 2035, the bill which Senator PASTORE and I introduced on May 25, 1965, to amend section 271 of the Atomic Energy Act of 1954. The purpose of my statement is to explain why I joined in introducing this bill and what I believe it would accomplish.

As you know, Mr. Chairman, the Stanford linear accelerator project was recommended by the joint committee and authorized by Congress in 1961 at a cost of approximately \$114 million. When it is completed in 1966 it will be the world's largest electron accelerator. This accelerator will be a tremendously valuable research tool for scientists of our country and should contribute significantly to our understanding of some

of the most fundamental questions of nature. The Federal Government has a huge investment in this project. I understand that every day's delay in putting this project into operation would cost the Federal Government many thousands of dollars in interest alone on its investment in this facility.

There has been considerable controversy over the construction of the electric powerline necessary to service the Stanford linear accelerator. I do not feel it would be useful at this time to review the pros and cons of AEC's position on constructing an overhead powerline for this purpose. This committee has explored this subject in great detail. We held a hearing devoted to this matter in January of last year.

As you know there has also been considerable litigation on this subject. The latest development in this litigation is a ruling by the U.S. Court of Appeals sitting in California, on May 20, 1965, to the effect that a provision of the Atomic Energy Act of 1954—section 271—prevents the AEC from constructing or operating an overhead powerline to service this facility. It is because of this decision, and its sweeping effect, that I cosponsored S. 2035.

I have looked over the court's opinion and decision and have discussed it with the staff of the joint committee. Frankly, I do not understand why the court has interpreted section 271 the way it has—that is, to subject the AEC, in performance of its statutory responsibilities, to the regulatory authority of a local subdivision of a State. I think section 271 is clear. It says exactly what we intended it to mean at the time I cosponsored the Atomic Energy Act of 1954 which contained this section.

"Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power."

It is clear to me that this language does not confer any authority on any "Federal, State, or local agency." It was intended neither to add to nor detract from any existing power which such a body had. As I said during the Senate debates on the bill containing this section:

"Section 271 of the bill already covers the authority and regulations of the Federal Government through the Federal Power Commission, which already exist over electricity, and its transmission; and it recognizes the rights of the States, where their rights occur, and recognizes the rights of the local agencies where their rights exist. Now, that is already in the bill.

"What section 271 does is to make clear that this act does not interfere in any way with the jurisdiction of the Federal Power Commission * * * or with State agencies where they have jurisdiction, or with local agencies where they have jurisdiction.

"We say that nothing in this act shall interfere with or affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale or transmission of electric power. We say that this act does not interfere with the rights and the power and the authority of any Federal, State, or local regulatory body whatever; and the power and the authority which may be there now for the transmission of electricity or the generation of electricity or whatever the authority may be is not changed." (100 CONGRESSIONAL RECORD 11708-11710, July 27, 1954, daily edition.)

I might add, incidentally, that what we were specifically concerned with when we included section 271 in the bill was the regulation of persons producing electric power by nuclear means. Our intent was to make it absolutely clear that the Atomic Energy Act's special provisions on licensing of reactors did not disturb the status quo

with respect to the then existing authority of Federal, State, and local bodies to regulate generation, sale, or transmission of electric power.

Notwithstanding what I am convinced was our intent in passing section 271, the court apparently has interpreted this language to confer authority upon local governmental bodies (which they otherwise would not have had), in this particular case, the city of Woodside and the county of San Mateo, Calif., to regulate a Federal agency—the Atomic Energy Commission. The court also says that unless section 271 can be read to confer this authority upon these local bodies, they would not have jurisdiction over the AEC because of the general sovereign immunity of the Federal Government, including its agencies and instrumentalities, from State or local control under the supremacy clause of the Constitution.

Since the court has interpreted section 271 to confer a positive authority upon governmental bodies, I thought it was imperative that I join in introducing S. 2035 which simply restates what section 271 said all along; namely that this section shall not be deemed to confer upon any Federal, State, or local agency any authority to regulate, control, or restrict any activities including those of the Commission, which authority such Federal, State, or local agency did not otherwise possess.

I think it is important that this bill be adopted, to make it clear that section 271 of the Atomic Energy Act of 1954, as amended, does not confer any authority upon any agency—Federal, State, or local—which such agency did not have before. Moreover, it is important that Congress act quickly on this because the implications of the court's decision go far beyond this particular controversy involving the Stanford linear accelerator powerline. If the court's interpretation of section 271 should be permitted to stand without correction, other vital activities of the AEC, many of them directly related to the national defense and security, would be subjected to the control of local bodies. I don't think we can afford to allow this incorrect interpretation to stand as an open invitation to attempts to regulate Federal defense activities at other installations around the country.

In summary, Mr. Chairman, I urge favorable consideration of the bill which the distinguished senior Senator from Rhode Island and I have introduced.

Mr. PASTORE. Mr. President, the net effect of the court's decision is that AEC cannot construct and operate an overhead powerline for the Government's \$114 million Stanford linear accelerator at Palo Alto, Calif., and that this line must go underground instead at vastly increased cost to the Government. Perhaps more important, the court's decision creates the possibility that other local governing bodies around the country may attempt to regulate defense installations operated by the AEC.

If the interpretation of section 271 set forth in the court's decision became binding generally, major adverse consequences throughout the entire range and scope of the AEC's programs could result. In the opinion of all the members of the Joint Committee, including all of us who participated in the drafting of section 271 and the debates on this language, the court misunderstood the intent of Congress underlying this section. This misunderstanding led the court to the erroneous conclusion that Congress intended to waive the AEC's constitutional immunity from local ordinances.

SENATE

14. HOUSING. Passed, 57 to 33, H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (pp. 19262, 19264-5, 19271-86). Consideration of a similar bill, S. 1599, was indefinitely postponed (p. 19280). Agreed to an amendment by Sen. Miller to include the word "community" in the provisions of the bill which he stated was intended "to include within the compass of the bill not only the problems of the larger centers, but also the problems of communities, wherever they may be located, in larger areas, as well as in smaller" (p. 19275). As passed the bill directs the President to undertake studies of the organization of housing and urban development programs within the Federal Government and to provide Congress with the results of such studies together with recommendations regarding the possible transfer of functions and programs to or from the Department.
15. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL. This bill, H. R. 8639, was made the unfinished business. p. 19336
16. PEACE CORPS. Agreed to the conference report on S. 2054, to authorize appropriations for the Peace Corps. This bill will now be sent to the President. pp. 19352-6
17. WHEAT; FOREIGN TRADE. Sen. McGovern criticized and urged lifting of the restriction that 50 percent of the wheat sold to the Soviet Union must be carried on American ships, stating that the restriction was hurting the wheat farmer and the balance of payments position of the U. S. pp. 19336-7
18. FAMILY FARMS. Sen. Dirksen inserted an article commending the family farm and stating that it must continue to use the best available science and management to keep from being replaced by the corporate farm. p. 19268-9
19. ELECTRIFICATION. Sen. Neuberger inserted an editorial stating that State regulatory officials and private power companies are pressing for enactment of legislation "that would for all practical purposes end the control which the Federal Power Commission now exercises over electric power rates," and "are threatening to attach it as a rider to a bill (S. 1459) that would exempt Rural Electrification Administration cooperatives from regulation by the FPC." pp. 19362-3
Sen. Nelson commended the service of Harvey Schermerhorn as public relations director for the Wisc. Electric Co-operative. pp. 19356-7
20. NOMINATION. Confirmed the nomination of John W. Gardner to be Secretary of Health, Education, and Welfare. p. 19310
21. WATER POLLUTION. Sen. Ribicoff inserted the address of Sen. Kennedy, N. Y., reviewing problems of water pollution in the Northeast. pp. 19342-4
22. FOREIGN TRADE. Sen. Javits inserted a report published by the Inter-American Development Bank, "Proposals for the Creation of the Latin American Common Market." pp. 19364-71
23. REAPPORTIONMENT; FARMERS. Sen. Douglas inserted an editorial in support of his contention "that legislatures reapportioned on a population basis can and do deal justly with the needs of the rural segments of the electorate." p. 19371

24. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the State-Justice-Commerce-Judiciary appropriation bill will be considered today, Aug. 12, followed by consideration of the tariff schedule bill. pp. 19309-10
25. MEDICARE. This office has received a limited supply of S. Doc. 46, a brief explanation of the elements of entitlement to and benefits available under the hospital insurance benefits for the aged and the supplementary medical insurance benefits for the aged provided in the Social Security Amendments of 1965.

BILLS INTRODUCED

26. WATER POLLUTION. H. R. 10397 by Rep. McDowell, to amend the Federal Water Pollution Control Act to implement plans to provide for the creation of a water resources and pollution control district to assist in dealing with the problems of water resources and pollution control in the water-ways of Dover, and Kent County, Del.; to Public Works Committee.
27. CREDIT UNIONS. H. R. 10398 by Rep. St. Germain, to permit Federal employees to purchase shares of Federal--or State-- chartered credit unions through voluntary payroll allotment; to Banking and Currency Committee. Remarks, p. 19247
28. TOBACCO. H. R. 10390 by Rep. Matthews, to amend section 317 of the Agricultural Adjustment Act of 1938, as amended; to Agriculture Committee. p. 19240
29. PERSONNEL. S. 2393 by Sen. Monroney, to authorize additional GS-16,17, and 18 positions for use in agencies or functions created or substantially expanded after June 30, 1965; to Post Office and Civil Service Committee. Remarks of author pp. 19306-7

ITEMS IN APPENDIX

30. FEDERAL AID. Rep. Sickles inserted a section-by-section analysis of the proposed Intergovernmental Cooperation Act of 1965, and the text of the bill. pp. A4161-5, A4476-81
31. FOOD FOR PEACE. Rep. Martin, Nebr., inserted an article criticizing the food for peace program. p. A4469
32. POTATOES. Extension of remarks of Rep. Monagan discussing the rise and decline of potato prices and inserting letters on the subject. pp. A4473
33. WHEAT; BREAD TAX. Extension of remarks of Rep. Callan dismissing the cry of "bread tax" as "pointless" when directed at the wheat provisions of the farm bill and discussing and inserting an article on bread prices increases in Raleigh, N. C. pp. A4474-5
34. POVERTY. Extension of remarks of Rep. Teague, Texas, commending and inserting a letter from Gov. John Connally discussing and defending action in Texas on the poverty program.
35. MINIMUM WAGE. Rep. Derwinski inserted an article opposing the proposed increase in the Federal minimum wage. p. A4482

Social Security Amendments of 1965; to the Committee on Veterans' Affairs.

By Mr. McDOWELL:

H.R. 10397. A bill to amend the Federal Water Pollution Control Act to implement plans to provide for the creation of a water resources and pollution control district to assist in dealing with the problems of water resources and pollution control in the waterways of Dover, and Kent County, Del.; to the Committee on Public Works.

By Mr. ST GERMAIN:

H.R. 10398. A bill to permit Federal employees to purchase shares of Federal—or State—chartered credit unions through voluntary payroll allotment; to the Committee on Banking and Currency.

By Mr. ROBERTS:

H.R. 10399. A bill to amend title 38, United States Code, to provide a program of death indemnification for persons serving in combat zones; to the Committee on Veterans' Affairs.

By Mr. RODINO:

H.R. 10400. A bill to permit naturalization for certain employees of U.S. nonprofit organizations engaged in disseminating information which significantly promotes U.S. interests; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.J. Res. 619. Joint resolution to authorize the President to issue a proclamation commemorating the 200th anniversary of the Stamp Act Congress, held at New York, in the Colony of New York, Oct. 7-25, 1765; to the Committee on the Judiciary.

By Mr. WELTNER:

H.J. Res. 620. Joint resolution proposing an amendment to the Constitution of the United States to provide that the right to vote shall not be denied on account of age to persons who are 18 years of age or older; to the Committee on the Judiciary.

By Mr. FALLON:

H. Res. 513. Resolution amending House Resolution 141 relating to investigations by the Committee on Public Works; to the Committee on Rules.

H. Res. 514. Resolution to amend House Resolution 142 relating to expenses of inves-

tigations conducted by the Committee on Public Works; to the Committee on House Administration.

By Mr. MULTER:

H. Res. 515. Resolution providing for the consideration of the bill (H.R. 4644) to provide an elected mayor, city council, and non-voting Delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII:

359. Mr. ANNUNZIO presented a resolution adopted by the 74th General Assembly of the Senate of the State of Illinois respectfully requesting that the U.S. Congress take action to extend GI benefits, which was referred to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 10401. A bill for the relief of Iannis Makropoulos; to the Committee on the Judiciary.

H.R. 10402. A bill for the relief of Luigi Serpico; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 10403. A bill for the relief of Edward F. Murzyn and Edward J. O'Brien; to the Committee on the Judiciary.

H.R. 10404. A bill for the relief of Lt. Col. James E. Bailey, Jr., U.S. Air Force (retired) to the Committee on the Judiciary.

H.R. 10405. A bill for the relief of Col. Donald J. M. Blakeslee and Lt. Col. Robert E. Wayne, U.S. Air Force; to the Committee on the Judiciary.

By Mr. DOW:

H.R. 10406. A bill for the relief of Sister Mary Stanislas (Concetta Minolo); to the Committee on the Judiciary.

H.R. 10407. A bill for the relief of Sister Mary Yolanda (Grazia Alercia); to the Committee on the Judiciary.

By Mr. FINO:

H.R. 10408. A bill for the relief of Giuseppe Feccl; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 10409. A bill for the relief of Philip G. Duffy; to the Committee on the Judiciary.

By Mr. HAGEN of California:

H.R. 10410. A bill for the relief of Mathew James Richard McDermott; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 10411. A bill for the relief of Gloria de la Jara; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 10412. A bill for the relief of Dr. Francisco G. Japzon; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 10413. A bill for the relief of Mrs. Rita Buraglia Cavalotti; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 10414. A bill for the relief of Ryoko Matsumoto; to the Committee on the Judiciary.

By Mr. REINECKE:

H.R. 10415. A bill for the relief of Josefina Abutan; to the Committee on the Judiciary.

By Mr. ROONEY of Pennsylvania:

H.R. 10416. A bill for the relief of Nick Bonis; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 10417. A bill for the relief of Jose Maria Ferreira and his wife, Maria Jose de Sousa Ferreira, and their daughter, Marla de Fatima de Sousa Ferreira; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 10418. A bill for the relief of Snezanka Stankovic, Zivorad Stankovic, and Jasmlna Stankovic; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 10419. A bill for the relief of Mrs. Wilhelmina Franken; to the Committee on the Judiciary.

Senate

WEDNESDAY, AUGUST 11, 1965

(Legislative day of Tuesday, August 10, 1965)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Merciful Father, whose faithfulness is constant in the face of all our fickleness, whose forgiveness outlasts all our transgressions against Thy holy love: We bemoan the delusions which so often have led us to mistake shadows for substance. We confess that by the apathy of our own achievements we have been lulled again and again into cushioned optimism.

Now with jarred and jolted minds we see the whole circle of the world grown somber and terrible with the fires of battle and honeycombed with subversion by the forces which would enslave man's spirit.

In this day when Thou art sifting out the souls of men before Thy judgment seat, give us, we pray, that penitence for our own sins, that contempt for our own narrow prejudices, that hatred for our own hate, that shall enable us to put on the whole armor of God as we fight against the rulers of the darkness of this world, and against spiritual wickedness in high places.

We ask it in the name of the Prince of Peace. Amen.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting nominations, was communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1153. An act to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective-bargaining agreements;

H.R. 10306. An act to amend the Universal Military Training and Service Act of 1951, as amended; and

H.R. 10323. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 1153. An act to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective-bargaining agreements; to the Committee on Labor and Public Welfare; and

H.R. 10323. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes; to the Committee on Appropriations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

CORRECTIONAL REHABILITATION STUDY ACT OF 1965

Mr. MANSFIELD. Mr. President, will the Senator in charge of the bill yield me 1 minute?

Mr. RIBICOFF. I yield 1 minute to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 527, H.R. 2263.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2263) to provide for an objective, thorough, and nationwide analysis and reevaluation of the extent and means of resolving the critical shortage of qualified manpower in the field of correctional rehabilitation.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on

Labor and Public Welfare with amendments on page 1, line 5, after "Sec. 2.", to strike out "The" and insert "Section 12 of the"; in line 6, after "(29 U.S.C.)", to strike out "41 (b)" and insert "ch. 4"; in the same line, after the word "amended", to strike out "by redesignating section 13 as section 14 and inserting after section 12 the following new section" and insert "to read as follows."; on page 2, line 3, after "Sec.", to strike out "13" and insert "12"; in line 4, after the word "on", to strike out "Vocational Rehabilitation" and insert "Correctional Manpower and Training, established by subsection (b) of this section."; in line 8, after the word "the", to insert "personnel practices and"; on page 3, line 2, after the word "resources," to strike out "methods" and insert "needs"; after line 8, to insert:

(b) (1) There is hereby established in the Department of Health, Education, and Welfare a National Advisory Council on Correctional Manpower and Training, consisting of the Secretary, or his designee, who shall be Chairman, and twelve members, not otherwise in the regular full-time employ of the United States, appointed without regard to the civil service laws by the Secretary after consultation with the Attorney General of the United States. The twelve appointed members shall be selected from among leaders in fields concerned with correctional rehabilitation or in public affairs, four of whom shall be selected from among State or local correctional services. In selecting persons for appointment to the Council, consideration shall be given to such factors, among others, as (1) familiarity with correctional manpower problems, and (2) particular concern with the training of persons in or preparing to enter the field of correctional rehabilitation.

(2) The Council shall consider all applications for grants under this section and shall make recommendations to the Secretary with respect to approval of applications for and the amounts of grants under this section.

(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

On page 4, at the beginning of line 15, to strike out "(b)" and insert "(c)"; in the same line, after the word "For", to strike out "such purpose" and insert "carrying out the purposes of this section"; in line 22, after the word "of", to insert "any"; and on page 5 at the beginning of line 4, to strike out "(c)" and insert "(d)".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed

in the RECORD an excerpt from the report (No. 543), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The crime rate has doubled in the United States since 1940. It has increased nearly six times as fast as our population growth since 1958. The total direct and indirect cost of crime and delinquency is estimated to exceed \$27 billion annually. Two million offenders—1 percent of our population—are incarcerated each year in our adult and juvenile correctional institutions and jails. Yet there are only 100,000 persons engaged in the field of correctional rehabilitation—a ratio of 1 for every 60 incarcerated offenders.

The purpose of H.R. 2263 is to provide Federal assistance for a 3-year study of the shortage of qualified manpower, and the educational and training needs in the field of correctional rehabilitation.

H.R. 2263 would authorize the Secretary of Health, Education, and Welfare, with the advice of a 12-member National Advisory Council on Correctional Manpower and Training, to make grants for the carrying out of a coordinated program of research and study of the personnel practices and current and projected personnel needs in the field of correctional rehabilitation; the availability and adequacy of the educational and training resources for persons in, or preparing to enter the field; the availability of educational opportunities for persons in, or preparing to enter the field; the adequacy of the existing curriculum and teaching methods and practices involved in the preparation of persons to work in the field; the effectiveness of present methods of recruiting personnel for correctional rehabilitation; and the extent to which personnel in the field are utilized in the manner which makes the best use of their qualifications.

The Federal Government would pay only a part of the costs of such studies, and grants would be made to nongovernmental organizations composed of representatives of leading national correctional and other professional associations and agencies in the field of corrections.

The bill would authorize \$500,000 to be appropriated for fiscal year 1966, and \$800,000 for each of the 2 succeeding fiscal years. Under the terms of the grants, the research and study must be completed within 3 years from the date it is inaugurated. Annual reports and a final report must be filed by the grantee with the President, the Congress, the Secretary of Health, Education, and Welfare, and the Governors of the States.

Grantees are authorized to accept, and are expected to secure, additional financial support from private or other public sources.

NEED AND BACKGROUND FOR LEGISLATION

Staffing the commitments of the Great Society in the war on poverty, disease, and ignorance is no small task. The need for trained manpower in all the human services occupations has become increasingly evident with the adoption, over the last 5 years, of many new Federal programs in the fields of education, manpower training, public health, poverty, and other social welfare fields.

While the field of correctional rehabilitation is but one of many areas in which professionally trained manpower is in short supply, it is an area which until quite recently has suffered from a lack of public recognition and almost complete neglect on the part of those whose occupational specialties collectively comprise the "corrections professions."

The successful and effective rehabilitation of criminal offenders depends upon services ranging from that of the prison guard on the cell block to the psychiatrist. Correctional services include teaching, social work, guid-

ance and employment counseling, psychology, medicine, and nursing, in addition to those provided by parole and probation officers and the supervisory, custodial and administrative personnel in our correctional institutions.

The short supply of correctional services personnel is revealed by a few representative statistics: There are, for example, only 50 full-time psychiatrists in all our adult correctional institutions—a ratio of 1 to every 4,400 offenders. The ratio of psychologists to offenders is about 1 in 2,000; of teachers, 1 in 400. The need for social workers, vocational instructors, counselors, nurses, and other skilled manpower is similarly unmet.

These critical shortages are further magnified by the rate of turnover. Between 25 and 50 percent of the personnel in most correctional facilities at any given time have been less than 1 year on the job.

Those few who serve in the field are inadequately prepared for their work. Less than 8 percent of the 100,000 people employed in corrections have received any professional education. The remainder depend upon inadequate inservice training programs.

While the needs and shortages are recognized by those in the field there has been little or no agreement on what must be done to provide qualified correctional manpower, or the kinds of training needed for service in correctional rehabilitation. Schisms exist, for example, between those who work with juvenile offenders and those in adult corrections; between those who would emphasize the penal and custodial aspects of corrections and those who believe the principal task of the correctional officer to be the reformation and rehabilitation of offenders to make them useful, productive members of society.

There is also a need for consensus among the experts as to the duties and responsibilities of correctional personnel and the skills they must have to carry out their appointed tasks.

The studies to be undertaken pursuant to H.R. 2263 are expected to develop appropriate curriculum and teaching methods for use in established educational institutions and in possible future training centers for correctional workers.

Once the shortages are assessed, the goals defined, and the educational and training requirements agreed upon, methods of recruitment must be studied. Correctional rehabilitation is seldom thought of as a career opportunity by the aspiring high school or college student. It has been the "poor cousin" among the occupational specialties of the many professional disciplines involved.

The outlook, however, is promising. Correctional manpower problems received nationwide recognition in June 1964, when 61 national organizations sent delegates to a conference on manpower and training for corrections at Arden House in New York. The Arden House conference unanimously recommended the establishment of a 3-year nongovernmental joint commission on correctional manpower and training to undertake a comprehensive and intensive program of research and study. The organizations represented at Arden House unanimously agreed that an independent, federally financed study was needed to establish future guidelines for their professions and to determine the role of each of the occupations involved in the field of correctional rehabilitation.

The major recommendations of the Arden House conference are embodied in H.R. 2263.

The readiness for this undertaking on the part of educators, correctional practitioners, and State and local officials was further evidenced by the testimony of witnesses before the Subcommittee on Employment and Manpower. In 4 days of hearings, the subcom-

mittee heard representatives of the leading professional associations in the corrections field, administrators of State, local, and private correctional services and educators in social work, criminology, and sociology—all of whom enthusiastically endorsed this legislation. In addition, supporting statements were received from 27 Governors, and more than 50 State and local officials and representatives of correctional associations expressing the view that the proposed 3-year study and research program is necessary.

In summary, the committee believes that there is clear evidence, and a growing consensus, that the key to the improvement of our correctional rehabilitation services lies in the increase of well qualified and properly trained personnel who will enter the field of corrections as a permanent career.

COMMITTEE AMENDMENTS AND RECOMMENDATIONS

In addition to technical and conforming amendments, the committee amended H.R. 2263 to establish a National Advisory Council on Correctional Manpower and Training to advise the Secretary of Health, Education, and Welfare with respect to the approval of applications and the making of grants under the act. As passed by the House of Representatives, H.R. 2263 would authorize grants with the advice of the National Advisory Council on Vocational Rehabilitation. The committee feels that a separate council composed of leaders in the fields concerned with correctional rehabilitation would be more appropriate.

Accordingly, the new Advisory Council would consist of 12 members appointed by the Secretary from among correctional rehabilitation leaders, 4 of whom would represent State or local correctional services. In making appointments, the Secretary is directed to consult with the Attorney General of the United States.

This legislation singles out for special study one area in which the shortage of qualified personnel is particularly acute. There are other fields served by the human services professions in which skill shortages may be equally acute. Few, however, encompass the broad spectrum of professional disciplines involved in correctional rehabilitation.

It is to be hoped that the studies undertaken pursuant to H.R. 2263 will help stimulate the prompt assessment of the skilled manpower shortages and training needs in other human service fields through the coordinated efforts of Federal, State, and local government agencies and private organizations.

Ample statutory authority for such research, and for actual training programs, is contained in the Manpower Development and Training Act and other legislation.

In this connection, the committee is mindful that research alone will not provide skilled manpower for corrections. Thus, although manpower and training for correctional rehabilitation is singled out for special attention in the belief that the groundwork must be laid for the best possible education and training for career service in the field, the committee expects that demonstration and action programs under appropriate public and private auspices will be proposed and undertaken as the 3-year study progresses and conclusions are reached.

This will require coordination and cooperation among the Federal departments and agencies which are now and which may in the future be involved in the development and training of manpower for service in law enforcement, criminal rehabilitation, and other fields concerned with the prevention and control of crime and delinquency.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The VICE PRESIDENT. Without objection, the committee amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 2263) was read the third time, and passed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. DIRKSEN. Mr. President, under the bill I yield 15 minutes to the distinguished Senator from Texas [Mr. TOWER].

The VICE PRESIDENT. The Chair recognizes the Senator from Texas [Mr. TOWER] for 15 minutes.

Mr. TOWER. Mr. President, last week we took a further step toward the elimination of State boundaries when we denied the people of each State the right to determine the basis of representation in their State legislatures.

Today we may be taking another major stride toward eliminating such boundaries by placing in the hands of a Federal Department Secretary more power to govern cities than was ever given any State authority.

If we approve this bill establishing a Department of Housing and Urban Development, we will give its Secretary the powers contained in the recently signed Housing Act plus the inherent powers of a Cabinet officer.

I supported much of the recently passed Housing bill because there are provisions mixed into that hodge-podge, catch-all which I felt could be administered at the local level to the benefit of the total community. There were, of course, some programs which I felt could be better handled at the Federal level than at the local level.

However, Mr. President, those programs in the latter category are not of such magnitude as to require the creation of a new Department of Government.

Let us analyze the need for this Department as outlined in the committee report accompanying the bill:

The report points out the tremendous population growth in urban areas and contends the cities, faced with increasing complex problems, are appealing more and more to the Federal Government for assistance in meeting these problems, because the cities have reached the limit of their financial resources.

I believe the record will show that the egg came before the chicken in this case.

The golden egg was laid in the laps of the cities in the guise of slum clearance and after 5 years the egg was hatched into a scramble called urban renewal.

With urban renewal has come the clamor to rebuild the central cities with Federal funds. There is no longer in-

terest in building homes in the cities to take care of the population explosion; the interest now is to rebuild the central cities into fancy trading areas. We have seen in recent years, constant reductions in the housing bills, of the share of urban renewal funds to be used for housing, and a corresponding increase in the share to be used for commercial structures.

The claim that cities are without sufficient financial sources to meet the demands of growth is not tenable. The cities are reaping tax profits from the increased property valuations growing out of the Federal urban renewal program.

The committee report on this bill makes the growing need for city housing a prime reason for establishing this Department, but let us look more closely at the history of housing financing, particularly in the big cities.

First of all, FHA insurance covers a very small percentage of 1 to 4 family dwellings. The percentage is about 15. Veterans' Administration guarantees cover about 8 percent of that class of dwellings and the balance of about 77 percent are covered by conventional mortgages.

A study of the use of FHA insurance by the savings and loan associations, which issue about half of the 1 to 4 family dwelling mortgages each year, demonstrates rather clearly that the Federal Government's part in the overall housing picture does not warrant a Cabinet-level Department on Housing.

In the whole New York State, New Jersey, and Puerto Rico Home Loan Bank district, for example, only 7.3 percent of the total home mortgage value on one-to-four family dwellings issued in 1963 by savings and loan associations was insured by FHA. Only 16 percent carried Veterans' Administration guarantees. The balance of home financing, 76.7 percent, was carried by conventional mortgages.

In the Dallas metropolitan statistical district the FHA share of the savings and loan mortgage total on the same class of homes, one-to-four family, was only 3.7 percent as shown in the 1964 report of the Federal Home Loan Bank Board.

In Chicago, Mr. President, the FHA insurance was but 1 percent of the total. In the Philadelphia district, including a portion of New Jersey, it was 8 percent.

Another great city in Texas, Houston, used but 2.1 percent.

In four of the largest California metropolitan districts, the totals were from 0.3 to 0.9 percent.

Mr. Robert C. Weaver, the HHFA Administrator and probable Secretary of the new Department if the bill is passed, does not agree with the sponsors in their use of more-city homes propaganda in support of the bill. He said in a letter to Senator JOHN J. SPARKMAN, the Senate's "Mr. Housing":

Of course, it must be recognized that the bulk of construction of new housing financed with the FHA-insured loans is located in the suburbs.

Mr. President, I wish to make it clear that I have been a consistent supporter of the Federal Housing Administration.

Never in its history, which began in 1934, has FHA required a single dime of appropriations to meet defaults or foreclosures despite the fact that in its history it has insured nearly 6½ million mortgages of the type we have been talking about, with a face value of more than \$61 billion. The insurance fund maintained through premiums paid by mortgagors has been more than sufficient to pay the losses.

Let us turn to other arguments that have been used in support of the bill. We have heard much about the lack of Cabinet level representation of the city folks in Washington.

This is an insult to the Labor Department, the Health, Education, and Welfare Department, the Commerce Department and the Justice Department.

Many wage earners in every city are union members and live daily under union regulations and laws that are amply protected by the Department of Labor. Those who are nonunion also benefit from total labor representation of the Department of Labor in such things as minimum wages, for example.

We are fully aware that many city workers benefit from being classed in interstate commerce and thus derive most capable representation through both the Labor and Commerce Departments.

The Health, Education, and Welfare Department has scads of programs to watch over to assure full benefits to the city folks—and to suburban folks as well.

There are the hospital programs, public health stations, old-age security, medical care, contributions to certain disability programs within the States, school assistance programs, school lunches, and numerous other activities of benefit to those who live in crowded metropolitan centers as well as to those in the smaller cities, the towns, and the hinterlands.

In the area of crime control, the Federal Government provides help through the many services of the Justice Department. Also, the President has just recently appointed a National Commission on Crime.

Aside from the social lives of the urban people, which is also determined to a degree by the Treasury Department, the lone remaining phase of daily life in the big city we have not touched upon is transportation.

This brings us to one of the activities which will come under the jurisdiction of the proposed Department.

The attempt to solve the admitted problem of moving the masses in the big cities has gone off in several directions and as a result there are no results.

For example, the Senate Banking and Currency Committee in 1964 authorized a total of \$375 million for mass transportation grants—grants, mind you—over a 3-year period with carryover rights for unused authorizations.

The 1964 total authorization was for \$75 million but only \$60 million was appropriated.

This year the HHFA requested appropriation of the authorized totals of \$150 million for each of the 1966 and 1967 fiscal years, made possible through special consideration in the 1964 bill.

The appropriation conference committee agreed on \$130 million for each of the 2 years. This leaves \$55 million of the original total authorization unappropriated, but still subject to 1968 fiscal consideration.

The significant point is this:

Despite the fact the omnibus housing bill signed into law a few days ago was identified as a 4-year bill, not a single word was spoken of any great clamor for mass transportation giveaway funds and no effort was made to readjust the authorizations to conform with the termination of the housing bill.

It is obvious the solution to the mass transportation problem in the cities does not lie in the program the proposed new Department would be called upon to administer.

We have covered here in a few minutes all phases of life which, by the most liberal stretch of the imagination, might need Washington representation at Cabinet level.

To add further confusion to a conscientious study of the need for a Department of Housing and Urban Development, we find much of the legislative responsibility which would come under the proposed new Department directed toward areas other than the larger cities and swollen metropolitan districts.

In the recent housing bill many programs are designed for small communities, such as the community facilities program. I hurriedly admit that pressure has expanded many of those programs, which only serves to create a doubt as to the attention the smaller communities would get from a Department that is oriented to big cities and big population areas.

Would this attention to bigness reach into the college housing program, for example?

Then, midst the confusion, the question is certainly raised as to what is to happen to the other Government-assisted housing programs which are not accounted for in the plans for the proposed new Department, as for example, the Farmers Home Administration and the Veterans' Administration.

The two greatest boons to housing in this country are FHA and the savings and loan associations. Yet, we find that the Federal Home Loan Bank Board, which supervises the savings and loan associations and their vast housing financing efforts, remains an independent agency.

Mr. President, I fear the Department of Housing and Urban Affairs could become at some time in the future, political in nature, a sop to the heavy voting areas of the country.

In any event, I feel S. 1599 is not a wise approach and will not be in the best interests of our proven governmental structure.

I believe we are seeing in this proposal another mass intrusion on the part of the Federal Government into the affairs of State government and local government. After all, a city is a corporate entity created by a State and is a political subdivision of a State. I do not believe we have the right to intrude

the Federal Government into the affairs of our States and cities.

I yield back the remainder of my time.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Subcommittee on Public Roads of the Committee on Public Works be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER (Mr. BASS in the chair). Without objection, it is so ordered.

On request of Mr. MORSE, and by unanimous consent, the subcommittee of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

OBSERVANCE OF 91ST BIRTHDAY ANNIVERSARY OF THE LATE PRESIDENT HERBERT HOOVER

Mr. DIRKSEN. Mr. President, under the bill I yield 1 minute to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, yesterday a memorable meeting took place at West Branch, Iowa, to commemorate the 91st birth date of the late President Herbert Hoover.

The event included the formal issuance of a commemorative postage stamp in honor of Mr. Hoover and appearances by former President Eisenhower and former Vice President Nixon.

Mr. Nixon made a truly outstanding address to the 22,000 people assembled. Because of its timeliness, its complete bipartisanship, and its importance with respect to the outlook on the war in Vietnam, I believe that the address merits the attention of all of our citizens.

Accordingly, I ask unanimous consent that the full text of the address delivered by Richard M. Nixon yesterday at West Branch, Iowa, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS BY RICHARD M. NIXON AT THE HERBERT HOOVER 91ST BIRTHDAY COMMEMORATIVE PROGRAM, WEST BRANCH, IOWA, AUGUST 10, 1965

This distinguished gathering, honored by the presence of General Eisenhower, is, in itself, an eloquent tribute to one of America's greatest leaders. The honor which has been accorded me to add to that tribute provides a wide and rich choice of subjects.

For over 50 years Herbert Hoover walked as an equal among the giants of the earth. We could honor him for his service as President of the United States. We could honor him for his achievements as an engineer and as an author. We could honor him for his contribution to the cause of more efficient government through the reports of the Hoover Commissions on Government Reorganization. We could honor him for the selfless service which earned him worldwide recognition as the great humanitarian of the 20th century.

But, great as were his achievements, Eugene Lyons was probably correct in concluding that Herbert Hoover will be remembered more for what he was than what he did.

In terms of public esteem, never has one man fallen so low and risen so high. Thirty-three years ago he left the White House

vilified by his enemies and forsaken even by some of his friends. Like Secretary Rusk, he had learned how viciously cruel so-called scholars can be in writing of their contemporaries.

In that dreary March of 1932, Herbert Hoover could well have been described as the "man nobody knows." This warm, kind, generous, shy, witty, and progressive humanitarian was painted as a cold, heartless, selfish, aloof, humorless reactionary.

But time has a way of healing the wounds inflicted by excessive partisanship. If the commentators of the decade were cruel, the historians of the century will be kinder. Before his death he became a living example of the truth of the words Sophocles wrote 2,000 years ago: "One must wait until the evening to see how splendid the day has been."

His legion of friends can be forever grateful that Herbert Hoover was one of those rare leaders who lived to hear the overwhelmingly favorable verdict of history on his public career.

No words can add luster to the special place he has earned in the hearts of his countrymen. But let it be noted that for generations to come his magnificence in adversity will be an everlasting example to those who would achieve greatness. A lesser man would have lashed back at his critics. But, Herbert Hoover was one of those unique individuals who was capable of great anger against corruption, brutality, and evil but never against people.

His serenity, in the face of the most brutal attacks, in the end made his detractors seem like pygmies and allowed his fellow Americans to see even more clearly the great character of the giant who walked among them.

To limit my remarks on this occasion to a discussion of his achievements would certainly be appropriate. But the highest tribute a nation can pay to one of its great men is to honor his principles in the adoption of national policy. In that spirit, let us test our policy in Vietnam against the foreign policy principles of Herbert Hoover.

It would be presumptuous to say what position he would take on Vietnam if he were alive today. But the principles which would guide him in making that decision ring out true and clear from the record of his public statements.

Speaking at the Republican Convention in Chicago in 1944, he said:

"We want to live in peace.

"We want no territory.

"We want no domination over any nation.

"We want the freedom of nations from the domination of others.

"We want it both in the cause of freedom and because there can be no lasting peace if enslaved people must ceaselessly strive and fight for freedom."

There was no fuzzy-mindedness in his analysis of the cold war. To him the choice between communism and freedom was crystal clear. He said: "The world is divided by opposing concepts of life. One is good, the other is evil."

Yet, while he hated the Communist idea the great humanitarian had no hatred for the Russian people. It was his leadership after World War I which helped feed and save the lives of millions of Russian children.

In summary, the principles which Herbert Hoover would apply in making a foreign policy decision could be summed up in one sentence. He wanted peace, freedom, non-intervention, self-determination, and progress for all peoples and all nations.

America's critics at home and abroad contend that our policy at Vietnam is diametrically opposed to every one of these principles.

They contend that America is intervening in a civil war.

They contend that we are fighting a losing battle to perpetuate white colonialism in Asia.

They contend that we are on the side of reaction, resisting the forces of change and progress.

They contend that we are increasing the danger of World War III.

Even among the majority of Americans who support our policy too many seem to believe that we had no business getting involved in Vietnam in the first place and that all we can hope or try to do is to make the best of a bad situation.

There is no reason for Americans to be defensive or apologetic about our role in Vietnam. We can hold our heads high in the knowledge that—as was the case in World War I, World War II, and Korea—we are fighting not just in the interests of South Vietnam or of the United States but for peace, freedom, and progress for all people.

This is not a case of American intervention in a civil war. We are helping South Vietnam resist Communist intervention.

We are not attempting to impose American colonialism in Vietnam. We are there to prevent Communist colonialism and to preserve the rights of self-determination without outside intervention for the people of South Vietnam.

We are fighting on the side of progress for the Vietnamese people; the Communists are fighting against progress. One of the reasons the South Vietnamese have been willing to fight so long and so bravely against the Communists is that they know that North Vietnam, under communism is an economic slum. The per capita income of South Vietnam under freedom is twice as high as that of North Vietnam.

The greatest fallacy is the contention that U.S. policy in Vietnam increases the danger of war. On the contrary, stopping Communist aggression will reduce the danger of war. Failing to stop it will increase the danger of war.

This is true because if the Communists gain from their aggression, they will be encouraged to try it again.

It is true because if aggression is rewarded those who advocate the hard line in Peking and Moscow will have won the day over those who favor "peaceful coexistence" and we shall be confronted with other Vietnams in Asia, Africa, and Latin America.

It is true because if the Communists gain from their aggression in Vietnam all of southeast Asia would come under Communist domination and we would have to fight a major war to save the Philippines.

A crucial issue is being decided in Vietnam: Does the free world have an answer to the Communist tactic of taking over a free country not by direct attack as in Korea, not by winning a free election, but by fomenting and supporting a revolution? If this tactic proves unsuccessful in Vietnam, the steady Communist march to world domination will be halted. If it succeeds, the Communists will have the green light for conquest by support of revolution all over the world and we will be helpless to stop it.

This is one of those critical turning points in history. Today Russia and Red China are not allies. Red China without Russia is a fourth-rate military power with no significant nuclear capability. Five years from now the two Communist giants may have patched up their differences. Even if they have failed to do so, Red China will then have a dangerous nuclear capability.

Time, therefore, is not on our side. If the Communist aggressors are not stopped now the risk of stopping them later will be infinitely greater.

Too much of the discussion on Vietnam has been in the dreary terms of day-to-day tactics, of targets to be hit or excluded, of the cost involved.

It is time for all Americans to raise their eyes proudly to the great goals for which we are fighting in Vietnam.

We are fighting in Vietnam to prevent world war III.

We are fighting for the right of self-determination for all nations, large and small.

We are fighting to save free Asia from Communist domination.

We are fighting for the right of all people to enjoy progress through freedom.

We are fighting to prevent the Pacific from becoming a Red sea.

To achieve these goals, Americans must be united in their determination not to fail the cause of peace and freedom in this period of crisis.

The noisy minority which constantly talks of the need to make concessions to the Communist aggressors in order to gain peace are defeating the very purpose they claim to serve. This kind of talk discourages our friends, encourages our enemies, and prolongs the war.

The Communists do not have to be told that we are for peace; they have to be convinced that they cannot win the war.

We shall agree to any honorable peace but on one issue there can be no compromise: There can be no reward for aggression.

Forcing the South Vietnamese into a coalition government with the Communists would be a reward for aggression.

Neutralizing South Vietnam would be a reward for aggression.

Forcing the South Vietnamese to give up any territory to the Communist aggressors would be a reward for aggression.

History tells us that a coalition government would be only the first step toward a complete Communist takeover.

Neutralization, where the Communists are concerned, as we learned in Laos, would mean—we get out, they stay in, they take over.

Attempting to buy peace by turning over territory to the Communist aggressors would only whet their appetites for more.

We welcome the interest of the United Nations in seeking a settlement. But we must insist that where the security of the United States is directly threatened by international Communist aggression, the final policy decision must be made by the United States and not by the United Nations.

We respect the views of nations who choose to remain neutral in the struggle between communism and freedom. But in evaluating those views let us remember that no nation in the world could afford the luxury of neutrality if it were not for the power of the United States.

The struggle will be long. The cost will be great. But the reward will be victory over aggression and a world in which peace and freedom will have a better chance to survive.

Herbert Hoover's record gives us guidance also with regard to our future policy when peace finally comes in Vietnam.

The man who hated communism helped save the lives of millions of Russian people living under communism after World War I.

The man who hated dictatorship set up the Committee for Small Nations to aid the people forced to live under Hitler's dictatorship in World War II.

Herbert Hoover took a dim view of trade or aid programs which might strengthen the power of dictatorial governments over their people. That is why he insisted that American aid to the starving Russian people be administered not by the Communist government but by the American Relief Administration which he headed.

We must continue to step up our air and sea attacks on North Vietnam until the Communist leaders stop their aggression against South Vietnam. But completely consistent with that policy would be the establishment now of an American Committee To Aid the People of North Vietnam.

What I am suggesting is not a government-to-government program which would simply strengthen the domination of the Communist Government of North Vietnam over the people of that unhappy country but a people-to-people program. The American people through contributions to such a committee would send to the people of North Vietnam food, medicine, clothing, and other materials which would help them recover from the devastating destruction of war.

If the Government of North Vietnam raised objections to allowing an American agency to administer the program, the distribution of supplies could be undertaken by an independent agency like the International Red Cross.

Certainly a program of this type would be in the great humanitarian tradition of Herbert Hoover.

As we consider the problems we face, let us not overlook one great factor which is working in our favor in Asia.

Twelve years ago, the Communist propaganda in Vietnam and in other free Asian nations was based on one major theme—choose communism and you will enjoy a better way of life.

Today that propaganda line no longer has any credibility. Those who join the Vietcong in Vietnam do so not because they like communism, but because they fear it.

In the past 12 years the only nations in southeast Asia and the Pacific which have enjoyed sustained economic progress are those in which freedom has been given a chance—Japan, South Korea, Taiwan, the Philippines, Thailand, and Malaysia. The economic failures have been Communist China and Communist North Vietnam, and Burma and Indonesia—both of which chose the socialist road to economic bankruptcy.

There is a lesson in this record for America. At a time when other nations are turning toward freedom, let us not turn away from it.

Herbert Hoover spoke eloquently on this subject at West Branch on his 75th birthday:

"A splendid storehouse of integrity and freedom has been bequeathed to us by our forefathers. Our duty is to see that that storehouse is not robbed of its contents.

"We dare not see the birthright of posterity to independence, initiative, and freedom of choice bartered for a mess of a collectivist system."

Again on his 80th birthday he returned to the same theme:

"It is dinned into us that this is the century of the common man. The whole idea is another cousin of the Soviet proletariat. The uncommon man is to be whittled down to size. It is the negation of individual dignity and a slogan of mediocrity and uniformity.

"The greatest strides of human progress have come from uncommon men and women.

"The humor of it is that when we get sick, we want an uncommon doctor. When we go to war, we yearn for an uncommon general. When we choose the president of a university, we want an uncommon educator.

"The imperative need of this Nation at all times is the leadership of the uncommon men or women."

And, just 1 year ago on his 90th birthday, he reminded his fellow countrymen again for the last time: "Freedom is the open window through which pours the sunlight of the human spirit and of human dignity."

We were privileged to have lived in the same century with this uncommon, extraordinary man. As we meet in this typically American town, in the heartland of our country, may we honor his principles as we pay tribute to his memory.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the distinguished majority leader.

tional objectives of our State blood bank associations can strengthen local control of blood banking services and should be constantly before us.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. DIRKSEN. Mr. President, I propose to vote against the pending measure, and I shall do so for two reasons. The first reason is that, if I should fail in my second endeavor on the question of reapportionment—which I expect to renew this afternoon—the ultimate result would be an urban oriented legislature, and that, together with what is contained in the pending measure, would give us quite a lopsided pattern in the country before we were through. The matter is so transparent that it requires no further elaboration from me.

Second, I never yet saw the time when a department was set up that did not grow and proliferate. It would start with a modest personnel, but growth is inevitable, and vast growth is really inevitable in the whole field of government.

When Maurice Stans was Director of the Bureau of the Budget in the Eisenhower administration, he did make a statement with respect to what we really owe in this country.

First he pointed out the public debt. At that time, Secretary Dillon, the Secretary of the Treasury, was asking for an \$8 billion increase in the debt, in two chunks; but it is far beyond his estimates now, because we have increased it once more in the present Congress.

The interest is growing rapidly. I have not looked at the current budget figures, but it occurs to me that we have to pay about \$1 billion a month for the privilege of using the citizens' money when they buy bonds, which are representative of our public debt.

I pointed out the other day that this Government owes the civil service retirement fund \$44 billion. Somehow, it did not bring a blink of an eyelash. I pointed out that the guaranteed military pensions are now in excess of \$40 billion. Those are unfunded, like the \$40 billion civil service retirement obligation.

I pointed out also that our commitments to veterans, looking down the years, will exceed \$300 billion. They are also unfunded.

In the field of contracts, subsidies, and guarantees, our commitments will run about \$150 billion, and probably in excess of that. Those are unfunded, also.

It is not certain at all, notwithstanding the increased wage base, that the social security fund will not have a debt somewhere along the line. At one time it was estimated at \$300 billion.

The net result is that our public debt, with which people are generally familiar, and our unfunded debts, with which the general public is not generally familiar, will add up to well over \$1 trillion. I propose to bring these figures up to date to show what they amount to.

I presume, by rule of thumb, that it adds up to \$25,000 for every American family in the land.

Now we come to new programs that are going to cost money. We are considering the creation of a new department that is going to proliferate and cost money. I do not know where it is going to end.

When the medicare proposal was before us, the first estimate was that there would be added perhaps 3,000 people to the Department of Health, Education, and Welfare. I think that estimate has now been raised to 7,000 people. If anybody thinks that is the end of it, he may as well dispel himself of the foolish notion that that will do the job. While the number of farmers is decreasing and the Secretary of Agriculture is wrestling with their problems, the number of persons employed in the Department of Agriculture is increasing, and is now estimated at 122,000.

This is an amazing kettle of fish, and I am not going to contribute to it if I can help it.

I have voted for many of these programs, but the second verse in the song is going to be, "How do they work?" I have not seen any significant results from the Economic Opportunity Act. I have seen little that has been documented to show how we are getting along under the Appalachia program. There will be an accounting. We will ask for an accounting of how they work, and how much deeper into debt we are going to go, lest we play ducks and drakes with the solvency of the United States.

I mentioned the subject of debts when I was on the House Banking and Currency Committee. An unnamed spokesman for the White House had indicated that \$55 billion was not too much of a debt for this country to carry. Of course, there was not mentioned the unfunded liabilities, that now take us well above the trillion-dollar mark. At that time, Marriner Eccles was Chairman of the Federal Reserve Board. I believe I am the one who asked the question. What did he say as to what a safe debt limit might be? He said, "You do not express it in that way. It comes to a question of when people start taking their money out of the banks, liquidating their assets, and putting it in their socks and mattresses." In other words, it is a psychological question.

The people are not aware of the stupendous funded and unfunded debt of this country. It is no wonder that capable European bankers marvel at the ease with which we plunge ourselves into these commitments and debts, and fail to deal realistically with the debt of America.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield myself 1 additional minute.

Some people point to our gross national product of \$660 billion. Sometime, somebody is going to take that figure apart, when he gets the time, to show the duplications in it. Reference is made to a trade balance. When commodities come into this country, and they are put on the import side of the ledger, we dis-

cover that insurance coverage and other contingencies are never included. I made that point in the Senate Finance Committee. I know the Department of Commerce is beginning to give attention to it, because when these items are put on the port side of the ledger, they deserve another look.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, if the Senator will yield, I will ask that the time be taken out of the time on our side.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. How much time does the Senator yield?

Mr. RIBICOFF. I yield myself 5 minutes.

Mr. President, while I disagree with the distinguished minority leader's view as to whether this bill should pass, I am sympathetic with much of what he has said. I believe that by establishing this new Cabinet-level department we will achieve results the minority leader would like.

What creates an ever-increasing number of new employees or new programs at the Federal level is not the mere existence of departments, but the programs that are voted by the present Congress, past Congresses, and future Congresses.

Consider the Area Redevelopment or Appalachia programs, which were mentioned by the distinguished minority leader. These programs stand by themselves. Programs which apply to urban problems are scattered throughout the Government. There are some 115 programs in the Government that provide aid to cities and States. The organization of these Federal programs should be updated and modernized by the Congress.

I am completely sympathetic with the remarks of the Senator from Illinois when he points out that the numbers of employees in some departments may rise, even though there are fewer persons affected by the programs. He pointed out in particular the Department of Agriculture. When we begin proliferating one disorganized program on top of another, the operation becomes inefficient. We are 30 years behind in the organizational structure of the Federal Establishment.

We are dealing now with a Federal Government based on an organizational pattern which was established some 30 years ago. To me, it is absolutely foolish to have problems of the cities dealt with in 115 different programs scattered throughout 40 or 50 different agencies. This means separate personnel, separate bookkeeping, and separate records and increased costs of administration. It is my hope that the Subcommittee on Executive Reorganization of the Senate Committee on Government Operations will dig into the duplication and waste which have taken place and endeavor to eliminate them.

When I was Secretary of HEW, much of my time—and the time of every other Cabinet Secretary—was spent in serving on interdepartmental committees. There are departments in this Government duplicating work which is being done in other departments.

Basically, the creation of the new Department would not add new jobs. It would not change any substantive programs. It is our hope that what we would be doing is assuring more effective and more economical operations in the programs now being administered.

So far as substantive programs are concerned as the Department grows, such growth will come about because we in the Senate and the other body will vote for the creation of new programs.

We should assume the responsibility because we have voted for the creation of new programs and new personnel. They would not exist if we did not vote the funds.

I would hope that we in the Congress would not simply wait for the executive department to set up reorganization plans before acting in this area.

The **PRESIDING OFFICER.** The time of the Senator from Connecticut has expired.

Mr. **RIBICOFF.** Mr. President, I yield myself 2 more minutes.

The **PRESIDING OFFICER.** The Senator from Connecticut is recognized for 2 more minutes.

Mr. **RIBICOFF.** We must look into the duplication and proliferation which now exists in the Federal Establishment. I will admit that there is waste and duplication, but the responsibility is ours to do something about it.

The creation of the new department would not create new jobs, but it would give it the opportunity to do its present job more economically and more efficiently.

The various agencies which are component parts of what will be the new Department of Housing and Urban Development have outstanding assets which today total approximately \$67.5 billion.

These programs are scattered through some 4,000 communities in the United States, yet the mayors, first selectmen, and those responsible for dealing with the Federal Government, do not know where to go for assistance.

A mayor will come to Washington, with hat in hand, and he has to run all over the city to find out who can help him solve his problems.

I am sure that the Senator from Illinois has found, as I have, that when mayors of our communities come into our offices, we spend hour after hour trying to steer them through the various agencies and departments, many of them duplicating each other's efforts to try to take care of the needs of the cities.

I am in no different position from that of any other Senator who finds himself trying to help mayors who come to us for guidance as to whom they shall see, and how they can solve their problems. It is our hope that by creating the new department we can start on our way toward eliminating the waste and duplication which now takes place in some 115 programs, so that when a mayor or the head of a township or a city has a problem affecting his city, Federal funds or Federal grants will be available. There are many programs which we can pull together and eliminate some of the waste

and duplication in the Federal Establishment.

Mr. **DIRKSEN.** The Senator from Connecticut wishes to make it easier to get to the right place in order to obtain a loan, a grant, a handout or something, much faster than has been the case heretofore.

I go on the theory that one of the reasons why we have a government which is a free government, and a Republic, is adherence to the rule to make it as hard as possible to get money from Congress and, when it is obtained, to make it as hard as possible to spend it.

I believe that is a good rule, in view of all the waste that is going on.

Years ago a friend from Chicago came in to see me. He said, "I want you to be for a little bill, because it is going to get a job for me."

I said, "How many people will be involved?"

He replied, "Only six."

That little group was created. My friend got the job, and he got his personnel.

I had hardly turned around when the next year he had a hundred people working for him. That is the way it grows.

After being in Congress many years, we can no longer be so naive with respect to the escalation and acceleration of Government growth and Government expenditures.

The Senator from Connecticut has stated that the creation of this new department will not require any new jobs.

If I were to write down on a slip of paper the number of jobs now required in the new department, and the Senator from Connecticut were to put up a \$100 bill and place it in an envelope with that slip of paper, I would place a \$100 bill in the envelope and we would seal it together; and if, in the near future the new department should grow as I have described, I would collect the \$100.

Mr. **RIBICOFF.** I admit that the Senator from Illinois would collect the \$100 bill, but the Senator will collect it not because the department exists but because Congress will have voted additional programs and funds.

I am not one who will slough off and place the burden of responsibility solely on the executive branch of the Government, because I know that Pennsylvania Avenue has two ends to it. I know that the executive proposes, but the Congress disposes.

We need not vote for new programs, but if we believe that they are necessary and we vote for them, I believe that we would be hypocritical if we complained that there were additional jobs, additional programs, and additional money needed to carry them out.

There is only one way to avoid it, and that is by not voting for additional programs. But if we do vote for them, we should not be the ones to complain that they cost money to administer.

When I was Secretary of HEW, everyone was complaining about the growth of the department. Of course, HEW grew. When the department was established in 1954, there were approximately 40,000 employees working there. When I arrived, in 1961, there were approximately 60,000 employees. Today, there are more than 80,000 employees. By the end of next year, there will be approximately 90,000 employees.

This growth is not due to the Secretaries, past and present. The growth results when we in Congress vote for the additional programs—

Mr. **DIRKSEN.** Exactly; and that is what we are going to be doing today.

Mr. **RIBICOFF.** We can vote for the new programs, in the existing HHFA, just as we could for the new department. Let me give an example. In HHFA there are programs in thousands of communities. There are low rent public housing projects, 2,228 communities. Public works applications have been approved for 3,892 communities. Urban planning assistance goes to 4,585 communities. I ask unanimous consent to insert at this point in the *RECORD* a listing showing the numbers of communities presently participating in HHFA programs.

There being no objection, the list was ordered to be printed in the *RECORD*, as follows:

Numbers of communities participating in HHFA programs

Organization unit and programs	Estimated number localities participating	Date of status report
Office of the Administrator, HHFA:		
Workable programs certified from program inception.....	2,330	Dec. 31, 1964
Urban mass transportation demonstration grant approvals.....	30	Feb. 28, 1965
Federal Housing Administration: The housing mortgage insurance programs of FHA are not recorded on a locality basis, but it can be said that virtually all of the localities in the country participated.....	(1)	
Federal National Mortgage Association: The mortgage purchase and sales programs of FNMA are as extensive as the programs of FHA and VA, whose mortgages it purchases and sells and whose programs reach into most localities. No count of data by localities is readily available.....	(1)	
Public Housing Administration: Low-rent public housing projects being planned, built, or completed and in operation.....	2,228	Apr. 30, 1965
Urban Renewal Administration:		
Title I urban renewal projects being carried out ²	3,490	Jan. 31, 1965
Title I urban renewal projects being planned ²	3,419	Do.
Urban planning assistance program participation.....	4,585	Do.
Open space land program grant approvals.....	287	Do.
Community Facilities Administration:		
Public works planning advance applications approved.....	3,892	Do.
Public facility loan applications approved.....	4,897	Do.
College housing loan applications approved.....	2,446	Do.

¹ Virtually all localities.

² About 765 localities.

³ There is some overlap in the numbers of localities in which projects are being planned and carried out, the exact extent of which is not readily ascertainable from current records.

⁴ Data on these programs is not readily available on a locality basis. Data on numbers of projects approved is supplied here, and project approvals exceeds localities participating to a degree which cannot readily be ascertained from current records.

Mr. **RIBICOFF**. Mr. President, all these programs exist now without the department. They exist because we vote for them. As an example, the Committee on Banking and Currency proposes a public housing program, and we vote for it and a bill is passed involving billions of dollars. This situation exists in spite of the lack of department status. I therefore point out to the distinguished minority leader that the growth in personnel and expenditures takes place because we in Congress vote for the programs, and not because the department exists either with or without Cabinet rank. I believe that we are begging the issue when we fail to recognize this fact. Let us be honest with ourselves. I say to the Senator from Illinois, let us not put the blame on the Secretaries in the executive branch, let us put the blame on ourselves, if we are to blame. Senators who believe that new programs are necessary and vote for them should not complain because they cost money. Senators who vote against them certainly have the right to raise a protest.

Mr. **DIRKSEN**. If we are going to put an end to the growth of our gargantuan Government, it will have to be done at this end of Pennsylvania Avenue, and not at the other end.

For that reason, I do not propose to vote for the bill, because I can see down the road and see what is going to happen and how big the problem will swell. Then the planners will come along with a proposal for a Department of Transportation. We have been under pressure for that. Then there will be a separate Department for Education. That is already in the wind. There has been a great deal of agitation about that. Then there will come this department and that department, all justified. Everything is to be separated. It is going to be easier to get; it is going to be easier to spend. We will more and more ignore the Comptroller General who, only last week, published a thick book of decisions, in which he comments on and criticizes the expenditure of money.

However, we blithely go along on our course. But, I am going to raise my voice and undertake to stop some of it, if I can. This is a good time to start.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **MILLER**. Mr. President, I offer an amendment.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. **MILLER**. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered; and, without objection, the amendment will be printed in the **RECORD**.

The amendment, ordered to be printed in the **RECORD**, is as follows:

On page 1, line 4, strike the word "Urban" and insert in lieu thereof the word "Community".

On page 2, line 2, strike the word "urban".

On page 2, line 6, strike the word "urban" and insert in lieu thereof the word "community".

On page 2, line 13, after the word "upon" insert the word "community".

On page 2, line 15, strike the word "urban" and insert in lieu thereof the word "community".

On page 3, line 4, strike the word "Urban" and insert in lieu thereof the word "Community".

On page 3, line 7, strike the word "Urban" and insert in lieu thereof the word "Community".

On page 3, line 16, strike the word "urban" and insert in lieu thereof the word "community".

On page 3, line 20, strike the word "urban" and insert in lieu thereof the word "community".

On page 3, line 24, strike the words "urban and metropolitan" and insert in lieu thereof the word "community".

On page 4, line 3, strike the words "urban and metropolitan" and insert in lieu thereof the word "community".

On page 4, line 5, strike the words "urban and metropolitan" and insert in lieu thereof the word "community".

On page 4, line 8, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 10, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 14, strike the word "urban" and insert in lieu thereof the word "community".

On page 5, line 19, strike the word "Urban" and insert in lieu thereof the word "Community".

On page 6, line 3, strike the word "urban" and insert in lieu thereof the word "community".

On page 7, line 7, strike the word "urban" and insert in lieu thereof the word "community".

Amend the title so as to read: "A bill to establish a Department of Housing and Community Development, and for other purposes."

Mr. **MILLER**. Mr. President, I yield myself such time as I may require.

The purpose of my amendment is to change the title of the bill from "A bill to establish a Department of Housing and Urban Development" to "A bill to establish a Department of Housing and Community Development"; and, wherever the word "urban" appears throughout the bill, to change it to the word "community".

What prompted me to offer the amendment was the fact that 2 years ago I introduced a bill which would have established what I would have called a Bureau of Community Development, to be set up in the Executive Office of the President, comparable to the Bureau of the Budget.

The purpose of my bill at that time was to try to bring into one coordinating agency the same governmental agencies that are sought to be brought into the new proposed Cabinet level office.

The purpose of my bill further was to provide for coordination, which seems to be required, and which is not present in the present organizational setup.

I pointed out that the problems which the agencies covered by the present bill seek to solve relate not merely to downtown urban problems, but they relate also to problems of suburbia and problems of counties. According to the Census Bureau, there are 212 metropolitan areas in the United States. Of

those, 164 are encompassed in 1 county, and 28 are in 2 counties.

Therefore I do not believe that the use of the word "urban" is responsive to the true purposes of the legislation. I believe that the word "community" is responsive.

It is interesting to note that on page 6 of the bill, the drafters of the proposed legislation specifically use the term "community development."

I read that portion of the bill to which I refer, beginning at page 5:

(c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development.

I invite the attention of my colleagues in the Senate to the committee report on the bill. At page 3 some of the purposes of the bill are set forth. For example:

Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities.

It does not say "development of our urban areas."

Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

It does not say "the Nation's urban areas and their inhabitants."

Providing technical assistance and information, including a clearinghouse service to States, counties, towns, and other localities in developing solutions to problems of urban development.

Encouraging comprehensive planning for community development by States and localities with a view of achieving coordination of Federal, State, and local urban development activities within the local areas covered by such comprehensive planning.

And so forth.

I noted in the **CONGRESSIONAL RECORD** of yesterday, that the distinguished Senator from Connecticut, who is managing the bill on the floor, in his remarks on the bill, pointed out, as shown on page 19066:

Mr. **RIBICOFF**. Mr. President, older communities—and these include many of our smaller towns—are faced, at one and the same time, with problems of inherited slums and blight, and of rapid new growth. Even our youngest and smallest towns confront urgent problems arising from present or imminent growth.

* * * * *
And there is no end in sight to the need for more schools, more highways, more hospitals, more sewage and water facilities, and more and better programs to house our urban population and improve our communities. No more complex and pressing problem faces us than the problem of how local communities, large and small, are to meet their urgent needs.

It is very difficult to discuss the problems covered by the agencies which are encompassed in the provisions of the bill without using the word "community."

I believe that most of us agree, when we talk about communities, envision not

only large communities, but also small communities; not only urban areas, but also county areas in which a community of interest exists.

I believe that a reading of the committee report indicates an intention on the part of the drafters to try to bring in the problems of other than large urban areas for treatment by this agency.

If that is so, let us call a spade a spade.

It is true that projections show that in the next 15 or 20 years we may expect three-fourths of the population of our country to be living in urban and suburban areas.

Now we are about to enact a bill to take in these areas. Does this mean that we may have to create another department to take care of the remaining one-fourth? I do not believe so. I believe that if we properly label the pending bill, emphasizing community development with respect to what we are trying to do, it will not be necessary to go to that extent.

What I am trying to do is to improve the bill by having it properly titled. I am trying to improve it so that it will be acceptable to many who, whenever they see the title "Department of Housing and Urban Development," will immediately wonder whether they are left out.

If we are not forgetting about them, the time to remember them is now, in titling the bill.

I cannot understand why there should be any opposition to calling the bill a bill to establish a Department of Housing and Community Development, and to emphasize community development, rather than urban development, throughout the bill.

I offer the amendment in the best of faith. I hope the Senator from Connecticut will see fit to accept it.

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes. I rise in opposition to the amendment. It should be kept in mind that when we talk about "communities" are are talking about "communities" that make up "urban" areas. We were most mindful of the problem raised by the distinguished Senator from Iowa. It has never been our intention to concern ourselves only with large cities. If the distinguished Senator will follow the bill with me, he will see where time and time again we have specifically spelled this out.

On page 2, line 14 of the bill it is provided:

To encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action.

Again, at page 3, line 21, I read that among the duties of the Secretary shall be the duty of providing "technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems."

Again, on page 4, line 16:

Nothing in this act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the department by this or any other act to any community on the basis of its population or cor-

porate status, except as may be expressly provided by law.

Therefore, we have been most careful to make sure that there will be no question in the mind of the new Secretary or in the minds of Members of Congress or members of the public that when we talk about a Department of Housing and Urban Development, we are talking about a department that would cover communities of every size. "Urban" is a much more generic term, and much more descriptive of what we are seeking to accomplish.

Getting away from the legal aspects, I have before me two definitions from Webster's New Collegiate Dictionary. That dictionary defines "community" as follows:

Community: 1. A body of people under the same laws; hence an assemblage of animals or plants living in a common home under similar conditions. 2. Society at large; the people in general; restrictedly, the people of a particular region, or the region itself. 3. Joint ownership or participation; as a community of goods; community of interests. 4. Common character; likeness. 5. Ecol. An aggregate of organisms with mutual relations; applied to any unit of undetermined rank, or as a synonym for a more specific group.

"Urban" is defined as follows:

Urban: belonging to the city or town, refined, polished, (fr. urbs, urbis a city) Characteristic of, constituting or pertaining to a city or town.

In other words, the term "urban" is a more generic term. It best describes the problems with which we are faced. It best sets out what we are seeking to achieve. It points out that we are talking about a large complex; and the community which the distinguished Senator from Iowa is talking about is part of that large complex.

We are seeking to solve the basic problems of the community itself. The Senator is absolutely correct that when I made my speech I was well aware of that; in the report I was well aware of that; in the bill I was well aware of that. Time and time again in discussions we wished to make certain that the problems that would come to the attention of the new Secretary would not be merely the problems of the large metropolitan cities and areas of America. But we recognize that today those problems are the problems of the small towns, the counties, and the cities themselves.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. MILLER. I am interested in the language which the Senator read from page 3 of the bill, starting with line 21. That language is: "provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems."

I cannot understand why the bill is confined in purpose to assisting those units of government in developing solutions to urban and metropolitan problems.

Mr. RIBICOFF. I would be more than pleased to accept an amendment

which would add the word "community" on line 24, so that the language would read: "solutions to community, urban and metropolitan development problems."

If that language would satisfy the distinguished Senator from Iowa. Certainly it is our intention throughout the bill that communities of all sizes should definitely be a part of the whole.

The Senator has made a good point. I would be more than willing, after the word "to" on line 24, to add the word "community."

Mr. MILLER. I appreciate that. I believe that we can very quickly draft an amendment to that effect. Possibly we could have a quorum call while that is being done. If the Senator has gone through my amendments, he may have observed other areas of the bill in which similar amendments might apply, and even if I cannot persuade the Senator from Connecticut to change the title of the proposed new department, perhaps we can get together on some of the other parts of the bill in like fashion and improve them. I am only trying to help; I am not trying to hamper anything.

Mr. RIBICOFF. I appreciate the point made by the distinguished Senator. If there is any question in his mind, I repeat that it is our intention to include all communities. The reason I do not wish to change the name of the proposed department is that I believe you are narrowing it down. If the Senator has any other suggestions along the line he has proposed, I would be pleased to add the word "community" at the appropriate places in the bill.

Mr. MILLER. I should like to ask unanimous consent that there be a quorum call and that the time necessary for the call not be charged to either side.

Mr. RIBICOFF. Reserving the right to object, I have no objection to having the time required for the quorum call charged equally to both sides. The reason for that suggestion is that some Senators are most anxious to make connections to leave Washington. I would not wish to delay them. I think most of the discussion on the bill has taken place already yesterday and today.

Mr. MILLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Young of Ohio in the chair). Does the Chair correctly understand that the time necessary for the quorum call will be charged to both sides?

Mr. MANSFIELD. It will be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, will the Senator yield me 2 minutes?

Mr. RIBICOFF. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, the imminent passage of this bill is a source of

great satisfaction to me because it follows 9 years of personal effort on my part to bring about the creation of a Cabinet Department of Housing and Urban Development.

Seventy-six years after the establishment of the Department of Agriculture, Congress is about to do equal justice under the law to the urban dwellers of our country.

I am particularly pleased that the statement of purpose of the Act recites the urgent need to solve the problems of housing, urban development, and mass transportation. It also stresses the importance of providing appropriate consideration at the national level for the needs of the Nation's communities and the people who live in them.

I am also pleased that an Office of Urban Program Coordination has been created for the purpose of achieving maximum coordination among the many agencies in the Federal Government and State and local governments concerned with community development.

Mr. President, I hope that when this bill is passed we can effect a badly needed reform of our appropriations procedures in the fields of housing and urban development.

The Senate rules presently provide for three ex officio members from the appropriate legislative committee to serve on the Appropriations Committee for purposes of dealing with such matters as the Agriculture, Post Office, Defense, and District of Columbia appropriations. But there is no provision for members of the Banking and Currency Committee to serve as ex officio members of the Appropriations Committee on appropriations matters affecting housing and urban development. These matters are every bit as technical as those in the fields of agriculture and defense, and the Appropriations Committee would profit greatly from the expertise such ex officio members could contribute. I therefore suggest to the Committee on Appropriations that it consider creating a new Subcommittee on Housing and Urban Affairs appropriations, to deal with the fiscal needs of this new department, and that it invite the participation of three ex officio members from the Banking and Currency Committee.

I commend my friend the Senator from Connecticut for his skillful handling of the bill and for the many hundreds of hours of dedicated work that he has put in to achieve this important objective.

Mr. RIBICOFF. Mr. President, in response I must say that great credit for this bill must be given to the distinguished Senator from Pennsylvania.

What frequently happens on landmark legislation is that there are those who, year in and year out, fight for a proposal only to see it go down to defeat, accompanied by extreme frustration. Then, after public opinion has formed and changed, due, in many respects to the defeat suffered by the first advocates of the measure, someone else comes along and gets the credit.

This is the legislative process. However, in all fairness, I should point out that it is because of the work that has

been done year in and year out by men like the distinguished Senator from Pennsylvania [Mr. CLARK] and the distinguished Senator from Maine [Mr. MUSKIE] who had the responsibility for this measure in other years, that we will be able to pass the measure today.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. CLARK. Mr. President, I thank my friend for his kind comments. I say in reply that he, the Senator from Connecticut, has carried high the torch we handed him, and it has been in very good hands indeed.

Mr. MILLER. Mr. President, I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 377

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Iowa [Mr. MILLER] proposes an amendment as follows:

On page 2, line 2, strike the word "urban".

On page 2, line 13, insert the following after the word "urban": "community".

On page 3, line 24, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 3, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 5, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 8, insert after the word "urban" the following: "and community".

On page 6, line 3, insert after the word "urban" the following: "and community".

The PRESIDING OFFICER. The Senator from Iowa is recognized for 30 minutes.

Mr. MILLER. Mr. President, as a result of the consideration afforded by the Senator from Connecticut, I have drafted this amendment in consultation with the representatives of the staff.

I believe that this amendment will tie in with the acceptance of the amendment which was developed during the earlier colloquy between the Senator from Connecticut and me.

This amendment is designed to emphasize at appropriate places "community," and the intention to include within the compass of the bill not only the problems of the larger centers, but also the problems of communities, wherever they may be located, in larger areas, as well as in smaller.

I hope that this amendment is now satisfactory to my friend, the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the amendment is satisfactory. It carries out our intention.

I believe that the distinguished Senator from Iowa has performed a most useful task.

On behalf of the committee, I am pleased to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I yield to the distinguished Senator from Maine whatever time he requires.

Mr. MUSKIE. Mr. President, I thank the Senator from Connecticut.

I compliment the Senator from Connecticut for bringing this measure so far along the road to passage.

It is clear that at this point the Senate is about to pass the measure. This is a greatly changed situation from that which we faced a few years ago when we considered a similar housing bill from the Committee on Government Operations. It is good to see this proposal finally approaching passage.

The issue before the Senate today, I say to my colleagues on both sides of the aisle, is purely and simply one of good organization and good administration—in a word, of good government. We have today in the Housing and Home Finance Agency over a score of programs which this Congress has instituted—some very large, some small; some as new as the Housing Act of 1961, and others which have been in operation for a quarter of a century or more. All are related to each other, and each is important to the sound growth and the present and future prosperity of urban communities in every one of the 50 States. Administering them is an independent Agency of Government which has served us well in the past, but which has been overwhelmed and outdated by the tide of change. Its administrative structure was established at a time when the principal problem confronting the Government in this area was to overcome the shortage of housing for returning veterans of World War II. Onto that structure have been grafted a dozen or more new programs, some directly concerned with housing and others with much broader though closely related urban matters—urban renewal, urban planning, community facilities, mass transportation and conservation of open-space land near our cities.

Mr. President, the mission of the Agency has outgrown its form. The lines of authority within the Agency are the result of historical accident. Statutory authority had been conferred on the heads of organizations prior to the incorporation of these organizations into the Housing and Home Finance Agency when it was originally established. Other functions have since been transferred to the Agency from other parts of the Government. As a result, the statutory authority for some of the major functions of the Agency is not vested in the head of the Agency. This means that the mechanism for coordination among the many complex programs of the Agency, with their tremendous impact on our local communities, is inadequate and often ineffective. Of course, all powers of the new Department would be vested in the Secretary as head of the Department.

Perhaps most important of all, there is no continuing and appropriate voice in the highest councils of Government to represent the problems of the people living in our urban areas. There is no agency—no adequate instrument—to

which the President, the Congress, and the States and local communities can turn for overall advice and assistance in connection with all the interrelated problems of housing and urban development. This is what the bill seeks to remedy.

Before we finish this debate we shall, I surmise, be talking about everything under the sun from States rights to builders' profits. So be it. But as we enter this tangled maze of arguments and counterarguments, I would hope that we will not forget the real, central point: And that is, quite simply, that the bill reorganizes these already existing programs and administrative agencies into an executive department—headed by a secretary who sits in the President's Cabinet—with crystal-clear lines of authority conforming to an elementary principle of good business management, in or out of Government.

Mr. President, let us see if we can put this whole matter into a little historical perspective.

Back in the 1920's, there was not a program in Government which we would recognize today as a housing or primarily an urban program. There was nothing but the leftovers of a modest and not very successful World War I housing program conducted by the U.S. Housing Corporation—long since out of business. This was how matters stood until the great depression struck.

That depression, as we all know, brought the home financing and building industries of the Nation to a virtual standstill. During an extended and dreadful period, far more homes were foreclosed than were built or sold—except at distress sales. Something had to be done, and as ever, necessity proved the mother of invention. One experimental program followed another—HOLC, the Home Loan Bank System, the rudimentary beginnings of a secondary mortgage market device, mortgage and home improvement loan insurance, resettlement housing, public housing, and I am sure still others that I have forgotten. By the time the war came, Washington was full of big and little housing agencies. There was one under every bush, until a trade journal could write in 1942:

The urgent need of coordinated Federal housing agencies was highlighted last week in hearings before the Senate Committee on Education and Labor * * * members of the committee gave up in despair after hearing representatives of 20 different housing agencies offer a description of how they thought the \$50 million for emergency housing in Washington should be spent.

In February 1942, the President drew this scattered and chaotic group together into the Nation's first housing agency, under the title of the National Housing Agency. Since this was done under his war powers, it was a temporary reorganization to assist in the prosecution of the national war effort. Thus matters remained until the war ended.

After the war, a new problem arose. The war powers of the President were about to come to an end, but clearly the housing problem was not. There was a desperate shortage of homes for the men of our demobilizing forces. The

homebuilding industry was plagued by shortages of land, of materials, and of labor. Construction costs shot up alarmingly. The Congress and the executive branch were alike appalled at the prospect that the temporary national housing agency should dissolve into the scattteration and confusion which had existed before it was created.

After many false starts and extended national debate, the President sent to the Congress Reorganization Plan No. 3 of 1947, which became effective on July 27, 1947, and established the Housing and Home Finance Agency as a permanent agency of Government.

The Housing and Home Finance Agency as it was established at that time bore little resemblance to the Agency as we know it today. There was no urban renewal administration; no community facilities administration; no Federal national mortgage association. It was, quite simply, a housing agency. It had no responsibilities for slum clearance and urban renewal, or for assistance to States and local communities in comprehensive planning, advances for planning of non-Federal public works, and so on and on.

The first great breakthrough toward a more comprehensive approach toward the problems of growing urban communities came in the Housing Act of 1949. That was the act which established the slum clearance and urban development program—a major new program which was not housing as such, and yet was profoundly related to housing purpose, method, and result. Title 1 of this act proclaimed for the first time a national housing policy which stands unchanged today:

To serve better all income groups in our population and to move ever closer to the goal of a decent home in a suitable living environment for every American family.

Here was something new, indeed.

Mr. President, we are now getting into relatively recent history, and most of us will readily remember many of the new programs which Congress has authorized since 1949 and assigned to the Housing and Home Finance Agency. I could mention college housing, for example—or public facility loans—or the several special programs to aid in housing our older people—or assistance for cooperative housing—and so on. But since these are more familiar, I will not detain the Senate by going through each one of them.

We have come a long way since 1949. Only the name remains the same—and it woefully fails to convey a true impression of the present functions and programs of the agency. In simple truth, the Housing and Home Finance Agency has long since become in fact, though not in name, an Urban Affairs and Housing Agency. What the President asks us to join him in doing is not to change the character of the agency, but to give long overdue recognition to what it actually is today.

Before turning to the next phase of this discussion, it is convenient here to point out that these programs are not only numerous—not only complex—not only closely related among themselves—not only large and significant: they are

also, with minor exceptions, permanent activities of the Federal Government.

Now, I am well aware, Mr. President, that as a legal technicality all the programs of the Federal Housing Administration will expire on a date certain under existing law—some in 1963 and the remainder in 1965. But that is only a legal technicality. Surely there is not a Senator on this floor—or off it, for that matter—who seriously believes that the Congress of the United States is going to let the Federal Housing Administration go out of business in the summer of 1965. It has been extended periodically since it was set up 27 years ago, and we all know it will continue to be extended.

Most of the major programs have no expiration date at all. Some of them, to be sure, have dollar limits on their authorizations. But here again, the record shows that the Congress has increased these limits as they were reached or about to be reached.

The programs are also national in scope, extending to large and small communities throughout the country. There is not a single State which is not significantly affected by one or more of these programs.

THE ARGUMENTS FOR THE PLAN EXAMINED

Mr. President, I turn now to a review of the reasons why, in my judgment, the reorganization proposed by the President is not only desirable, but urgently needed. I should like to stress three principal points:

First, the plan is needed to improve organization at the top level in the executive branch.

Second, the reorganization is needed in the interest of economy and efficiency.

Third, the reorganization is needed to assure the highly necessary coordination of a group of programs which are closely related in their objective, and which should be equally closely related in their planning and execution.

I submit, Mr. President, that the issue before the Senate is first and foremost one of good organization—of simple good government.

I submit that it makes plain, good common sense for the major programs of the Federal Government which deal directly with the problems of planning and shaping urban growth to be established as a Cabinet department, headed by a Secretary with the authority appropriate to his position and necessary to discharge his responsibilities. To use the words of Nelson Rockefeller in his memorandum to President Eisenhower of July 2, 1957, these programs go far beyond housing and involve "the general physical planning and development of communities." There is nothing novel about this proposal. We are merely applying here time-tested concepts of good business and good government—applying them to a new situation, which has grown up because of the pace of urbanization in the last few decades.

I am not in the least impressed with the arguments of those who try to confuse this issue by suggesting that this Department would be, or should be, or might become, a department of everything-that-happens in cities. That would be absurd, of course—about as

absurd as trying to put into the Department of Interior everything that happens within our continental limits, or into the Treasury everything that costs money. We have a very clear unifying theme for this proposed Department, and that is to encourage and to help provide good homes in good neighborhoods for our growing urban population. That is what this plan is all about.

To accomplish that objective, we need an executive department which has the primary responsibility for working with other departments and with States and local governmental agencies to encourage the analysis and identification of their problems of growth and development—not simply their problems today, but their problems 2, 5, and 10 years hence.

This Department should also have the necessary tools to aid local governments in comprehensive planning for the solution of these problems, and in the actual execution of their programs of housing, urban renewal, and the provision of necessary community facilities. Once these plans are made, with proper consideration for the total land use pattern in the community, then of course it simply makes good sense for agencies like the Bureau of Public Roads, for example, to continue to carry out its operation program within the context of the needs of our Interstate Highway System, or for problems of air and water pollution and hospitals to continue to be treated as public health problems, which obviously they are.

The President has said, and I agree with him, that the people who live in and near our cities deserve a spokesman in the highest council of Government—the President's Cabinet. But I submit that the reverse proposition is equally valid: The President and the Cabinet itself need a Secretary of Urban Affairs and Housing.

What is the significance of the President's Cabinet in our form of government? Opinions differ widely on this question, and it is not easy to give it a simple answer. As we all know, the Cabinet is not established by the Constitution; it is an invention of the Executive, which has grown up over the years. The use made of the Cabinet has varied considerably with different Presidents. Some have made extensive use of it as a method for coordinating the Government's varied programs; other Presidents have used it largely as a political sounding board.

In general, however, I think it is fair to say that the Cabinet, together with the President, constitute the hard core of an administration. These are the men who have most continuous access to the President, and the most intimate understanding of his views. These are the men who have the most continuous responsibility for coordinating the almost unbelievably complex activities of modern government. Of course, final decisions must be made by the President himself—he cannot delegate them to a committee. But these are the men who hammer out the policy, subject to his final approval.

Now let us suppose that the Cabinet undertakes a review of the state of the general economy. Should not such a discussion include the views of the Government's principal housing official, considering that housing is perhaps the third largest factor in the entire economy?

It is difficult to think of anything more vital to economic stability, prosperity and growth, yet there is no cabinet officer to bring special knowledge and experience to bear on this subject.

Or let us imagine that the Cabinet is concerned with the many problems resulting from the movement of population from the farms to the cities. How absurd it is that we have a Cabinet officer present to discuss the problems of the areas from which the people are moving, but none to represent the areas to which they are moving.

I could give a dozen other examples. For instance, the Cabinet often reviews the general budget picture. Surely, such a review must be incomplete without a spokesman for the programs of the Housing and Home Finance Agency, which constitutes one of the largest and most complex parts of the entire budget, outside the national security area.

I think it is self-evident that the programs of the Department of Agriculture, or of Labor, or of Health, Education, and Welfare, or of Commerce would benefit by having at the Cabinet table a spokesman for urban affairs and housing.

Now, it has been argued since this proposal was made that the Housing Administrator can and sometimes does attend Cabinet meetings at the invitation of the President. In all charity, this argument is just a little silly. Of course the Administrator can go to a Cabinet meeting if the President ask him. So could I. A man may eat by invitation in the Senate dining room, but that does not make him a Senator. An official does not get to be a member of the President's Cabinet by attending meetings—he gets there by heading an executive department of Government.

People may talk as much as they like about this being a mere matter of prestige, and so on. But there is not one person on this floor who does not know that a Cabinet officer has more influence, more weight, and more effect than the head of an independent agency. That is a fact of life, and will continue to be.

Mr. President, I conclude that the facts clearly show that the President and the Cabinet itself need the inclusion in its structure of a Secretary of Housing and Urban Development, if the Cabinet is to function as it should to assist this and future Presidents in their duties as Chief Executive.

In Government, as in business, improved organization should yield greater efficiency and productivity in all programs, not just one.

After all, the principles of organization in big government are not greatly different from those in big business. If Government agencies were big private corporations, we would not have any doubt about what to do, and we would confidently expect that clarifying the basic

organization structure and establishing clear lines of authority and responsibility would pay off in increased efficiency.

Mr. President, I am convinced that this reorganization means savings to the taxpayer over the next few years not of thousands but of millions and tens of millions of tax dollars.

I turn next to the importance—in my judgment, the critical importance—of the highest degree of coordination among all the related programs and activities of the Housing and Home Finance Agency. For it is precisely here that our cities and urban areas will benefit most from the reorganization proposed by the President.

Let us take a neighborhood in some city—almost any city. It could be in a great metropolitan center, or in a town of 25,000 or 10,000. This neighborhood we are supposing is getting old; it has started down the incline that ends in a slum. Part of it is a slum now—much of it is not—not yet. Every Senator has seen a hundred such neighborhoods in his own State.

Now, a local public agency begins to survey this area and make plans for rescuing it—for stopping the process of decay and starting the neighborhood back on the upgrade. It is enabled to do this job by a planning advance under title I of the Housing Act of 1949, administered by the Housing and Home Finance Agency. When the planning job is done, the local agency receives a contract for an urban renewal project, which will involve clearance of those parts of the neighborhood that are too far gone, and conservation and improvement of the rest.

Under title I, the urban renewal plan for the area must conform to a general plan for the community as a whole. If that plan is inadequate or obsolete—or if, as it too often true—it doesn't exist at all, then another branch of the local government may seek assistance from the Housing and Home Finance Agency under section 701 of the Housing Act of 1954. If our neighborhood is in a small city or town, that grant will come to it through the State planning agency.

When the local agency begins to carry out its project, people and small businesses will have to be relocated. The Urban Renewal Administration in the Housing and Home Finance Agency makes grants to pay relocation expenses, up to the limits specified in the law. But moving expenses are only part of the problem. Where are the people to live? Perhaps, if they are low-income families, in public housing assisted by the Public Housing Administration with annual contributions.

Or if they are in the middle income range, in new or rehabilitated housing financed with FHA mortgage insurance under section 221. Or, if their incomes are high enough, in new or existing standard housing financed under FHA's section 203, or perhaps in rental housing under section 207. Perhaps a labor union or some similar group decides to form a cooperative to provide the needed housing. In that case, probably they

will find their financing through FHA's section 213.

Experience has shown that a great many of the people who have to be relocated from project areas in the central cities are advanced in age. It is a tragic fact that rundown neighborhoods tend to be heavily populated by older people. All five constituents of the Housing and Home Finance Agency have special programs designed to assist the local community in the solution of this very human relocation problem. Each program, of course, is pointed toward a different kind of need.

For example, the Federal Housing Administration provides a special form of mortgage insurance for housing for elderly people where the capital put in and the revenues of the project make up an economically sound, long-term loan. The community facilities administration makes direct loans at the college housing interest rate, to provide decent housing at lower rentals. And at the lowest income levels, the Public Housing Administration has a special program for older people.

But we still have not considered what is to be built on the cleared land. Is it to be residential? In that case, because of the special elements of risk involved in what formerly was a slum or near-slum area, in all probability the financing of the housing to be built will have to be supported by FHA insurance under section 220. Or perhaps public facilities are necessary to improve the area. If so, planning advances are available from the community facilities administration of the Housing and Home Finance Agency to be repaid when construction is actually undertaken, sometimes with the aid of a CFA loan. But let me note that the Housing Act of 1954, which authorized the public works advance planning program, requires that any project so assisted conform to any applicable general plans for the development of the area as a whole—and so we come full circle.

Mr. President, I feel safe in asserting that there is no other department or agency in Government where it is so clearly true that one major project in one city or town may involve, not only every major constituent agency or bureau, but even every program administered by these different but associated agencies.

Perhaps I have not said enough about the Federal National Mortgage Association. Note well that the FNMA is as much in the heart of these operations as any of its sister agencies. It is the special assistance support of the FNMA which is the catalyst, if you will, for such diverse activities as housing in urban renewal areas, housing for relocated families or the elderly and other special-purpose form of financing which have not yet established their place in the private market.

I could expand this discussion further. For example, we all recognize the tremendous economic importance of maintaining and improving our existing stock of housing, in which the Nation has an investment on the order of \$500 billion. That is a key piece of our hypothetical urban renewal project—to preserve and upgrade the major portion of the area,

without having to resort to the drastic surgery of clearance and demolition. And to accomplish this, probably the key tool is the authority granted to FHA in the Housing Act of 1961 to insure loans up to \$10,000 and up to 20 years for major home improvements.

Mr. President, there are probably a half dozen or more important programs I have not yet cited in this connection, but it seems to me that this is enough. It would require, it seems to me, an astonishingly effective set of cross-eyed spectacles for anyone to fail to see the importance—the basic national significance—of establishing at the national level that form of organization which will produce the highest degree of coordination and unity of purpose in the planning and execution of these necessarily complex problems.

Mr. President, on February 7, 1962, the senior Senator from Pennsylvania addressed this body on the proposed new Department. No one in this body has had deeper concern for the problems of our cities or done more to help solve them than the Senior Senator from Pennsylvania. After laying to rest the most terrifying of the "bogeymen" raised by opponents of the Department, he explains these four important things which the creation of the new Department would do:

First, it would raise the status of a cluster of governmental programs, which, taken together, have a tremendous impact on the development of communities of all sizes.

Second, the plan would bring greater attention to the problems of urban America.

Third, the reorganization would improve the coordination of Federal functions affecting communities.

Fourth, the new Department would be in a better position to provide information and technical assistance to State and local governments on problems arising from urban growth.

These are four major benefits which would flow to all of our communities and ultimately to all of the Nation.

THE ARGUMENTS AGAINST THE PLAN EXAMINED

Mr. President, the arguments which have been made against the proposal to establish a Department of Urban Affairs and Housing are to me clearly without foundation. This is not because they are lacking in surface plausibility but rather because each of them is based on a misconception of what the bill would actually do or not do.

Some have criticized it because they fear that the reorganization by itself will mesmerize future Congresses into enacting substantive proposals which will somehow destroy the States. On the other hand, those who mistakenly expect this reorganization to solve major substantive as well as organizational problems naturally feel that the bill does not do enough. They say it would merely create some high-ranking offices, and that this is hardly worth all the bother. Interestingly, neither of these two inconsistent views of the matter is without precedent.

In the House debate on January 15, 1903, Mr. Gaines had the following objection to the creation of the Department of Commerce and Labor, the predecessor to our two present departments:

In such action, Mr. Chairman, are we undertaking to absorb, by right of might, if you please, the powers and rights of the State? Is not such legislation an invitation for the Government of the United States to rush down and undertake to attend to all the varied business of the States and crush the latter? If we continue to do this—and we see the great tendency toward it—how soon will it be before the States are destroyed—the States that created the Union?

In the House debate on May 21, 1888, Mr. Blount spoke as follows in opposition to setting up a Department of Agriculture:

Mr. Speaker, if I could see any benefit to result to the farmers of the country from this bill, I would give it my cordial support. * * * What is proposed in this bill for the purpose of advancing agriculture? You have today the Agricultural Bureau in existence, with all its functions; and what are you proposing now? Simply to create some new offices. You propose to make the head of that Department a Cabinet officer, with increased salary; and you propose to create an assistant who is to receive a liberal salary. Beyond this, except transferring to the Agricultural Department the signal service—a service which, so far as I know, is well conducted today—there is nothing in this bill. I can not see anything in it for the purpose of promoting agriculture.

Returning to the bill now before us, I want to try to summarize the objections which have been made and explain why they do not persuade me.

First. It has been said that the establishment of a new department will lead to large increases in programs and spending for urban development and housing. This argument fails to give full and proper weight to the fact that only the Congress can establish new programs of assistance for housing and urban development and only the Congress can authorize or appropriate funds for new or expanded programs. The Congress will do neither when it approves this bill.

Certainly, the need for a Cabinet department to handle Federal programs of urban development and housing will make it easier for the executive branch to administer and coordinate any future expansion of Federal interest approved by the Congress in this area. The lack of a Cabinet department has not prevented the Congress from enacting new programs and expanding existing ones to help alleviate some of these problems of urbanization. Nor will the existence of a Cabinet department create—in and of itself—new programs and expenditures.

Second. Some fear that the reorganization plan will weaken State and local governments and centralize more power in Washington. Let me say first, on this point, that as a former Governor and as a present member of the Intergovernmental Relations Commission, I would find it impossible to support any measure which would result in the reduction of State and local authority and initiative. In fact, this bill would not extend in any way the power or control of the Federal Government over other governmental jurisdictions, nor would it in any way affect the authority of any State, city, or other local body.

The Department would administer programs enacted by the Congress. The legislation authorizing these programs

sets the framework for the relationship between the Federal Government and the State or local governments receiving assistance.

All of the intergovernmental programs which would be assigned to the Department provide financial assistance only to State or local public bodies which request it. Participation by cities or other local bodies must be authorized by the State legislature or some specific constitutional provision, or both.

Establishment of a Federal department with Cabinet rank to deal with particular types of problems has in the past stimulated the States to create their own departments designed to deal with the same types of problems at the State level. For example, the establishment of a Federal Department of Labor with Cabinet rank in 1913 served not only to give labor a voice in the Cabinet, but also lead the way for every State in the Union to form an executive department or agency to deal with problems affecting labor.

As a result of the urban planning assistance program of the Housing and Home Finance Agency, authorized in 1954, about three-fourths of the States have established new State agencies or authorized existing State agencies to participate in that program. It provides matching grants for urban planning agencies. The number of States participating has risen from 4 in 1955 to 47 at present.

It is true, of course, that the States should further strengthen their own capacity to deal with housing and urban matters. For example, only six States now make contributions to urban renewal programs. The need for greater State initiative in this area is well recognized. But far from weakening State participation in these programs, the Department would have as a practical responsibility the encouragement of States to exercise positive leadership in solving urban problems.

Third. The argument has also been made that departments should be organized by major purpose rather than by geographic areas and that a Department of Urban Affairs and Housing will create a cleavage between our urban and rural populations. The new Department would not be established on any geographical basis or on the basis of where people live. Rather, it would be established to deal with problems, programs, and activities which are primarily and peculiarly urban. This would not create any cleavage between urban and rural people, because it does not alter any Federal functions applicable to them. The Department is needed, not strictly because 70 percent of our people live in urban areas, but because of the magnitude and intensity of urban problems which have developed.

The urban development and urban housing functions which would be assigned to the Department all have a unified objective—to provide homes in good neighborhoods in well-planned communities adequately served by related public facilities. In fact, the functions of the Department are more closely interrelated in objective than are the pro-

grams of most existing departments. It is this complex interrelationship of program purpose which has contributed to the demand for cabinet status for the present agency.

It must be remembered, too, that the Department would not administer all of the Federal programs having an impact on urban areas. The Department would help provide leadership and coordination within the executive branch in regard to the major problems of urban growth, but other important Federal activities for assistance to cities in such areas as education, health, and interstate highways would continue to be handled by the agencies to which they are now assigned on the basis that their primary purposes relate to education, health, and commerce.

There is no more reason to suppose that the establishment of this Department will create friction between urban and rural dwellers than did the establishment of the Department of Agriculture. If anything, I think it is fair to assume that the new department would achieve a happy balance which has been long lacking.

Fourth. Objections have been made because some important urban functions would not be placed in the new department. Some have opposed the plan because of its failure to include in the functions of the new department such functions as assistance for highways, air and water pollution, hospital construction, and others.

The establishment of the department will provide a cabinet officer who can deal more effectively with other cabinet officers on problems of mutual interest. It is neither necessary nor desirable, however, for one department to administer by itself all of the programs affecting urban areas.

The body of programs now being administered by the Housing and Home Finance Agency and which would be transferred to the new department provide a sound basis for the kind of leadership at the Federal level which is needed. Programs of the department for assistance to urban areas in comprehensive planning for urban land use and future development permit the localities themselves and the other Federal agencies involved to appraise the need for and the best location of such things as highways, schools, health and sanitation facilities.

These same comprehensive plans would provide a basis for approval by the new department of various aids which it would administer directly—programs for urban redevelopment and renewal, community facilities planning and construction, mass transportation, and housing.

The additional programs which have been suggested for inclusion in the new department are being satisfactorily administered by the agencies in which they now reside and in which they have been placed on the basis that their purposes related primarily to commerce or health rather than to desirable urban development as such. A cabinet department will provide a strengthened mechanism within the executive branch for assur-

ing a proper relationship among all of these programs.

Fifth. Groups whose interest have been focused on home building have expressed fear that the new department would emphasize urban affairs functions to the detriment of the housing functions assigned it. There is no basis at all for any such nervous concern. The fact is that the bill would make the Government's principal housing official a member of the cabinet and thus strengthen the organizational position of the housing programs within the Federal establishment.

Historically, housing has formed the nucleus for the other programs assigned the present Housing and Home Finance Agency, and must continue to do so. About three-fourths of all of the privately owned structures in our urban areas are residential. In addition to assisting in the provision of this housing, the programs of the Department would assist in planning, financing, and providing the community facilities and other amenities which are necessary to serve and support housing, including well-planned neighborhoods and communities.

Sixth. Yet another baseless fear is expressed by those who predict that the new Department will emphasize aid to big cities, to the detriment of smaller communities. There is nothing at all in the plan which supports this fear and there is ample evidence in the entire history of substantive housing and community development legislation which negates it. As has been emphasized already, the plan does not change in any way the programs now being administered by the Housing Agency, nor the relationships of the Federal Government with other levels of government in the administration of those programs. The Department would continue to emphasize aid to smaller communities, as the Housing Agency has done in the past, because they frequently have the greater need and because Congress has enacted programs which authorize such assistance to smaller communities, often on a priority basis.

Seventh. Perhaps the gentlest argument against the plan is the one which assumes that the existing Housing Agency can do just as well everything that the new Department would do. The bill would in fact do two very important things which need doing and cannot be done without the plan:

It would elevate to Cabinet rank the agency having primary responsibility for housing and urban development programs; and

It would give the Secretary of that Department the clear authority to administer effectively the programs of the Department and to assure that they are properly coordinated with each other and with the programs of other departments.

The importance of these objectives should not be minimized. Witness after witness before our committee has stressed the need for stronger leadership in urban development and housing at the Federal level.

The kind of leadership we should seek cannot be provided by an independent agency head who is not a Cabinet member and who has only the power of general supervision and coordination over two major constituent agencies whose powers are not vested in the head of the entire agency. A provision in the Independent Offices Appropriation Act, 1955, cited by some as constituting a full grant of authority to the Housing and Home Finance Administrator, is simply inadequate. It must be taken in the context of the statutory limitations on the present powers of the Administrator which indicate congressional intention that basic program functions, as distinct from administrative services, shall not be subject to the Administrator's direction, but only to his general supervision and coordination.

This very limiting phrase is repeated in the 1955 appropriation act provision. The phrase in turn was clearly intended to be far more limited than the phrase "Superintendence, direction, coordination, and control." Indeed, the latter phrase was included in plan No. 1 of 1946 which would have created an overall housing agency 1 year earlier, and this inclusion led to the defeat of the 1946 plan. Thus, the provision most certainly does not provide an adequate, or even a very clear, vesting of responsibility. Also, it fails to vest in the Housing Administrator the statutory functions previously vested in constituent agency commissioners.

CONCLUSION

In conclusion, Mr. President, I want to reemphasize the fact that this bill is an urgently needed step in good government organization.

The new Department would give a voice in the Cabinet on urban and housing matters so that proper consideration and weight would be given to them in the overall administration of the executive branch. It would enable a better coordination of the interrelated functions of the various departments.

The new Department would give our States and communities an urgently needed agency at the departmental level to assist them in formulating and carrying out local programs relating to their general physical planning and development. This is the basis on which the Department would be established. It would not be established on a geographical basis or provide a cleavage between rural and urban populations. It would administer an especially logical category of functions in the executive branch.

In no way whatsoever would the Department extend Federal authority or reduce the stature and position of the States and localities. Instead, history teaches us that the functions of States and localities in this field would be stimulated and strengthened by the creation of the Department.

The bill would have no significant bearing on either the size of any programs or the size of the organizations administering them, as these would continue to be fixed in legislation enacted by the Congress. In fact, the internal organization of the Department would be put on a sound basis to permit greater effi-

ciency and economy, which should result in substantial savings in the cost of services and in the cost of financing the local projects which are being assisted.

Mr. President, in the interest of the better management of the executive branch and to better serve our States, our cities and towns, and the people for whom they exist, I urge approval of this legislation.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the Senator from Hawaii.

Mr. INOUE. Mr. President, I am in complete agreement with the purposes of S. 1599, the bill to establish a Department of Housing and Urban Development. As the recent Senate discussions on the Omnibus Housing bill clearly showed, the problems and projects now being undertaken by the Housing and Home Finance Agency and the Public Housing Administration of that agency have reached a size and magnitude which can best be handled by a Cabinet-level department. This bill will also go a long way toward more efficient administrative coordination of our various programs in the area and will further provide a most appropriate vehicle for long-range planning of programs dealing with urban housing and development by State and local governments.

I wish to commend the distinguished Senator from Connecticut [Mr. RIBICOFF] for his effective and eloquent leadership in the management of this most important measure.

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I want to comment on S. 1599 which has been considered by the Government Operations Committee, of which I am a member. This bill has received the special attention of the subcommittee on which I serve headed by Senator RIBICOFF. I was fortunate enough to sit in on almost all of the hearings that were held in connection with this bill. The bill is not new to the Congress or the Nation and it has been considered for many years and has been rejected every time it has been considered. After studying the bill and reviewing it carefully, I see nothing which would indicate that Congress or the Nation should change its thinking in regard to the need for such a department.

Simply stated, this bill only elevates the Housing and Home Finance Administration to Cabinet rank. Among the witnesses that I heard and the Senators that have discussed this bill, I find no one that is satisfied with it or thinks that this bill will accomplish its objective. Those who support it realize that the bill only does one thing and that is to elevate the Housing and Home Finance Administration to Cabinet rank. It does not incorporate the 43 programs affecting urban development which are administered by 5 executive departments and 8 independent agencies. The proponents of this bill recognize that if we are to truly have a department of Cabinet rank to deal with urban development, it should be a department which would include these 43 programs and have enough authority and ability to wrestle with the

problems that the cities encounter. Unfortunately, in the minds of the proponents, there is not even an attempt to pull in these urban-oriented agencies.

The opponents of the bill criticize it because they feel, and in my judgment rightly so, that this bill is a "foot-in-the-door approach." It is an attempt by the Federal planners to acquire control and domination of our cities throughout the Nation. The opponents realize that this department will not have the authority to deal with urban problems or with housing problems under the terms of this bill. Consequently, the social planners must immediately start the drive to accumulate the control and power over the other agencies and departments which affect urban development and housing.

Those who support the creation of a new Cabinet level department predicate their belief and support in such a department on the erroneous presumption that the problems of urban areas are likely to be better solved by Federal aid and attention of Cabinet rank than they can be solved by the present Federal agencies, State and local governments.

Senator RIBICOFF, who is leading the fight for enactment of this legislation, stated at the hearings:

I would like to see it (referring to the department) established, but if it is going to be established, let us establish a department that can really do a job for America.

Senator RIBICOFF is wise enough to realize that the bill in its present terms and under its present scope cannot begin to deal with the problems that the cities have and that by elevating the HHFA the problem will not be solved.

It is interesting to note that this bill is basically the same bill that was before the Congress in 1961, the difference being that the words have been reshuffled. In 1961 it was called the Department of Urban Affairs and Housing instead of the Department of Housing and Urban Development as we now call it. The reason given for this change is to put Federal priority on housing, but it is interesting to note it does not encompass the Federal Government's largest agency dealing with housing. The Housing and Home Finance Administration has within its jurisdiction the Public Housing Administration and Federal Housing Administration which are responsible for a little over 500,000 units per year. On the other hand, the housing agencies excluded from the proposed Cabinet-rank department; namely, the Federal Home Loan Bank system and the VA home loan program, are responsible for over a million and a half units. Consequently, you can see by this comparison that this department as proposed would not begin to put Federal priority on the housing of the Nation.

I oppose this bill, not because the bill is inadequate and is not comprehensive enough to even begin to touch the problems of the cities, but because I feel that it creates a serious threat to our form of government. It is not wise for the Federal Government to establish a department whose sole purpose is to deal with the urban areas of the Nation. This process will elevate and stimulate the direct association of the Federal and city

governments, thus bypassing the State government entirely. Encouragement of the city-Federal relationship would be a definite setback at this time when the States and localities are beginning to move closer together in policy and performance. The States now are beginning to respond to the needs of the city and are beginning to recognize their role and their responsibilities. I do not believe that we can afford to weaken that relationship by substituting the city-Federal relationship.

The elevating of the HHFA to a department of Cabinet status deals with structure, not substance, and with symptoms, not causes. It gives it no new authority and gives it no broader purpose. It does nothing to really solve the problems that are experienced by cities other than what it already has. I have been one who has supported the attempt to reorganize the Government and to bring more efficiency to its operations, but this is not a streamlining effort.

The social planners have long encouraged the enactment of this bill. They have done so because they believe in the centralization of all control over our cities. They believe that by enhancing this relationship they will weaken the States' responsibilities in governing the cities and thus they can further eliminate and reduce the effectiveness of a republican form of government which has been so great in the past years.

I do not think that urban development can be handled at the Federal level. The economic and social conditions that make a city what it is should not be manipulated by the Federal social planners who try to regulate the city by its buildings and land as proposed in this bill. The people are the important element of a city and I think that people can best be advised, counseled, and educated through an approach at the local level rather than from the centralized bureaucrats of Washington.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the Senator from Virginia, my distinguished friend and Chairman of the Finance Committee.

Mr. BYRD of Virginia. Mr. President, I oppose establishment of a Federal Department for Housing and Urban Development, as proposed in S. 1599 which is now before the Senate, and I shall vote against the bill.

There are numerous reasons for my opposition to the proposal. Any of these reasons would be sufficient to justify voting against the bill.

Two of these reasons are discussed in a statement I made August 9, and they are backed up by tables showing expenditures, personnel and payroll situations in the Department of Health, Education, and Welfare, and in the Housing and Home Finance Agency.

I ask unanimous consent to have this statement and these tables printed in the RECORD as a part of my remarks.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

As I said, this statement is confined to only two of the reasons why I shall vote against the bill:

1. A Department of Housing and Urban Development, as proposed, had better be called a department of backdoor spending and contingent liabilities; and
2. We have had experience with a new Department of Health, Education, and Welfare; if the proposed new Housing and Urban Development Department should expand to a degree comparable with the bulging dimensions of the HEW, the new Housing and Urban Agency would be a \$225 billion Department in 13 years.

DEPARTMENT OF BACKDOOR SPENDING AND CONTINGENT LIABILITIES

The administration has proposed that the new Department of Housing and Urban Development should be composed of existing agencies and programs generally referred to as follows:

1. Urban renewal programs (loans and grants for slum clearance);
2. College housing program (long-term low-interest construction loans);
3. Public facility loan program (long-term low-interest loans for construction of facilities including some loans for mass transportation);
4. Housing for the elderly (long-term low-interest loans for rental housing and related facilities);
5. Open space land program (grants for land acquisition);
6. Federal Flood Indemnity Operations (including inactive disaster loans and insurance program);
7. Rehabilitation loan program (low interest rate loans to rehabilitate properties to conform to code requirements);
8. Urban mass transportation (loans and grants for facilities and equipment);
9. Federal National Mortgage Association (support of mortgage market through direct purchases);
10. Federal Housing Administration (insurance of private loans for construction and repair of residential housing);
11. Public Housing Administration (grants, and direct and guaranteed loans for local public housing projects); and
12. Other Housing and Home Finance Agency activities including research, planning, and demonstration projects, etc.

Backdoor spending

Authority to spend proceeds from the sale of Federal bonds, under contract authorizations, and out of revolving funds—all outside of effective appropriation control—are among the readily recognizable forms of backdoor spending.

Every major program and agency proposed to be consolidated into the new Housing and Urban Development Department spends through the backdoor. Their total spending authority for fiscal year 1965 was estimated at \$15.7 billion, and all but some \$400 million is through the backdoor.

Contingent liabilities

Contingent liabilities (against the Federal Government) are what the term implies. The Federal Treasury must pay off if and when certain contingencies develop. Federal insurance and guarantees of housing mortgages are prime examples.

As of the end of fiscal year 1965, programs and agencies proposed to be consolidated in the new Housing and Urban Development Department had used the public credit to underwrite outstanding mortgages and other contingent liabilities to a total of about \$53 billion.

The Federal Housing Administration has unlimited authority to increase the contingent liabilities against the Federal Treasury in the form of insured housing mortgages, and the Public Housing Administration has unused authority to create additional contingent liabilities in guaranteed local bond issues for construction of new low-rent public housing units.

There is ample reason to call this proposed new Department a department of backdoor spending and contingent liabilities.

A \$225 BILLION DEPARTMENT

The Department of Health, Education, and Welfare is the newest Federal Department. The HEW Department was established in April 1953. It had its 12th anniversary this spring.

HEW DEPARTMENT

During fiscal year 1953 the programs and agencies which became components of the new HEW Department spent \$1.9 billion; they employed 40,264 people, and their combined payroll costs totaled, \$170,133,000.

For fiscal year 1966, beginning last July 1, the President's budget estimates that HEW, in its 13th anniversary year, will spend \$7.8 billion, that it will employ 88,702 people, and that its payroll costs will total \$650,543,000.

In short, during 13 years since their consolidation into a Federal Department, HEW components have increased their combined expenditures more than 300 percent; their employment has more than doubled and their payroll costs have nearly quadrupled.

HOUSING AND URBAN DEPARTMENT

The President's budget estimate for fiscal year 1965 shows \$15.7 billion was available for expenditure through programs and agencies proposed to be consolidated into the new Department of Housing and Urban Development.

As of the end of fiscal year 1965, the budget estimates that these programs and agencies had outstanding direct and insured loans totaling \$59.2 billion.

Taking probable duplications into account, it may be estimated that these agencies as of June 30, 1965, were the custodians of spending authority and outstanding direct and insured loans totaling approximately \$75 billion.

GROWTH

The record shows that HEW, the newest of the Federal Departments, increased expenditures more than 300 percent in 13 years as a Department, more than doubled its employment, and nearly quadrupled its payroll costs.

If the proposed new Department of Housing and Urban Development should be established, and if it should equal HEW's growth rate, it would be a \$225 billion Department by fiscal year 1978.

Increases in Federal expenditures and employment in HEW agencies and programs during 1st 13 years¹ (fiscal years 1953-66) under the Department of Health, Education, and Welfare

[Dollars in thousands]

Program	Expenditures			Payroll and employment					
	Programs transferred to HEW, ² fiscal year 1953	Department of HEW, fiscal year 1966 (estimated)	Change	1953		Fiscal year 1966 (estimated)		Change	
				Payroll obligations	Average employment	Payroll obligations ³	Average employment	Payroll obligations ³	Average employment
Food and Drug Administration:									
Salaries and expenses	\$5,757	\$48,372	\$+42,615	\$4,766	886	\$33,663	4,043	+\$28,897	+3,157
Buildings and facilities		7,339	+7,339						
Revolving fund for certification	1,119	-77	-1,196	817	166	1,756	228	+939	+62
Advances and reimbursements						97	9	+97	+9
Subtotal, Food and Drug Administration	6,877	55,634	+48,757	5,583	1,052	35,516	4,280	+29,933	+3,228
Office of Education:									
Expansion and improvement, vocational education	18,321	178,400	+160,079						
Higher education facilities construction		165,000	+165,000						
Further endowment of agricultural and mechanic arts	2,480	11,950	+9,470						
Grants for public libraries		37,000	+37,000						
Payments to school districts	65,956	321,000	+255,044	443	103			-443	-103
Assistance for school construction	135,186	47,000	-88,186	674	108	60	7	-614	-101
Defense educational activities		360,000	+360,000						
Educational improvement for handicap		15,700	+15,700						
Cooperative research		14,000	+14,000						
Educational research, foreign currency program		400	+400						
Foreign language training and area studies		1,750	+1,750						
Salaries and expenses	3,221	22,138	+18,917	2,581	438	15,289	1,603	+12,708	+1,165
Civil rights educational activities		8,000	+8,000			805	76	+805	+76
Elementary and secondary education (proposed legislation)		500,000	+500,000						
Higher education (proposed legislation)		100,000	+100,000						
Colleges for agriculture and mechanic arts (permanent)	2,550	2,550							
Promotion of vocational education, permanent	7,111	7,117	+6						
Advances and reimbursements		10	+10			204	19	+204	+19
Subtotal, Office of Education	234,825	1,792,015	+1,557,190	3,698	649	16,358	1,705	+12,660	+1,056
Vocational Rehabilitation Administration:									
Grants to States	22,246	119,000	+96,755	117	24			-117	-24
Research and training		41,200	+41,200						
Special foreign currency program		2,420	+2,420						
Salaries and expenses	723	3,375	+2,652	571	93	2,765	269	+2,194	+176
Improvements in vocational rehabilitation (proposed legislation)		7,000	+7,000						
Subtotal, Vocational Rehabilitation Administration	22,969	172,995	+150,027	688	117	2,765	269	+2,077	+152
Public Health Service:									
Buildings and facilities		27,481	+27,481						
Injury control		4,091	+4,091			1,405	167	+1,405	+167
Chronic diseases and health of aged		57,083	+57,083			7,424	882	+7,424	+882
Communicable disease activities	6,000	49,378	+43,378	4,878	1,035	11,818	1,663	+6,940	+628
Community health practice and research		59,001	+59,001			2,803	324	+2,803	+324
Control of tuberculosis	8,079	14,998	+6,919	1,701	357	2,230	291	+529	-66
Control of venereal diseases	9,914	10,296	+382	2,917	614	5,264	914	+2,347	+300
Dental services and resources		7,795	+7,795			2,240	246	+2,240	+246
Nursing services and resources		20,492	+20,492			1,274	154	+1,274	+154
Hospital construction activities	110,156	232,400	+122,244	1,103	173	2,786	283	+1,683	+110
Construction of health educational facilities		37,000	+37,000			433	40	+433	+40
George Washington University Hospital construction		1,000	+1,000						
Environmental health sciences		14,438	+14,438			1,709	198	+1,709	+198
Air pollution		23,424	+23,424			4,494	567	+4,494	+567
Environmental engineering and sanitation		9,035	+9,035			2,716	354	+2,716	+354
Occupational health		5,574	+5,574			1,709	214	+1,709	+214
Radiological health		20,866	+20,866			5,774	812	+5,774	+812
Water supply and water pollution control		38,974	+38,974			12,878	1,703	+12,878	+1,703
Grants for waste treatment works construction		80,000	+80,000						
Hospital and medical care	33,962	54,550	+20,588	30,505	7,025	44,159	6,672	+13,654	-353
Foreign quarantine service	3,066	6,900	+3,834	2,708	562	5,280	660	+2,572	+98
Indian health activities (fiscal year 1953 estimated)	24,123	62,800	+38,677	13,652	3,651	37,303	5,524	+23,651	+1,873
Construction of Indian health facilities		11,200	+11,200			759	127	+759	+127
General research and services		93,355	+93,355			2,417	257	+2,417	+257
National Institute of General Medical Sciences		63,649	+63,649			1,446	165	+1,446	+165
Biologic standards		6,405	+6,405			2,333	299	+2,333	+299
National Institute of Child Health and Human Development		42,062	+42,062			2,108	233	+2,108	+233
National Cancer Institute	19,330	132,487	+113,157	2,779	549	12,226	1,415	+9,447	+866
Special cancer research		4,000	+4,000						
National Institute of Mental Health	10,786	182,028	+171,242	1,221	219	11,235	1,291	+10,014	+1,072
Construction of community mental health centers		15,000	+15,000						
National Heart Institute	13,051	118,890	+105,839	1,585	325	6,342	743	+4,757	+418
National Institute of Dental Research	1,746	19,204	+17,458	956	175	2,528	301	+1,572	+126
National Institute of Arthritis and Metabolic Diseases		107,910	+107,910	1,737	313	5,640	614	+3,903	+301
National Institute of Allergy and Infectious Diseases		67,656	+67,656	2,260	477	5,618	703	+3,358	+226
National Institute of Neurological Diseases and Blindness		83,208	+83,208	113	19	5,634	708	+5,521	+689
Grants for construction of health research facilities		47,000	+47,000						
Construction of mental health-neurology research facility		4,200	+4,200						
Grants for cancer research facilities		1,000	+1,000						
National Institutes of Health management fund						29,663	4,420	+29,663	+4,420
Operating expenses, National Institutes of Health	16,417		-16,417	3,596	886			-3,596	-886
Scientific activities overseas, foreign currency program		5,300	+5,300						
National health statistics		7,300	+7,300			3,031	377	+3,031	+377
National Library of Medicine		4,960	+4,960			2,262	302	+2,262	+302
Retired pay of commissioned officers	1,085	7,300	+6,215						
Salaries and expenses, Office of Surgeon General	3,354	6,600	+3,246	3,125	572	5,220	549	+2,095	-23
Emergency health activities		8,000	+8,000			1,818	177	+1,818	+177
Proposed health legislation		58,000	+58,000						
Proposed pollution control legislation		12,000	+12,000						

Footnotes at end of table.

Increases in Federal expenditures and employment in HEW agencies and programs during 1st 13 years¹ (fiscal years 1953-66) under the Department of Health, Education, and Welfare—Continued

[Dollars in thousands]

Program	Expenditures			Payroll and employment					
	Programs transferred to HEW, ² fiscal year 1953	Department of HEW, fiscal year 1966 (estimated)	Change	1953		Fiscal year 1966 (estimated)		Change	
				Payroll obligations	Average employment	Payroll obligations ³	Average employment	Payroll obligations ³	Average employment
Public health service—Continued									
Assistance to States, general	\$16,152		—\$16,152	\$2,628	508			—\$2,628	—508
Engineering, sanitation, and industrial hygiene	3,780		—3,780	3,082	553			—3,082	—553
Disease and sanitation investigation, etc., Alaska	1,106		—1,106	406	66			—406	—66
Construction of research facilities	12,406		—12,406	47	29			—47	—29
Miscellaneous	1,264		—1,264						
Operation of commissaries, narcotic hospitals	16	—\$1	—17	48	14	\$65	12	+17	—2
Bureau of State Services management fund						4,606	561	+4,606	+561
Service and supply fund	—104	—8	+96	81	20	4,319	635	+4,238	+615
Working capital fund, narcotic hospitals	—25	—11	+14	172	41	326	48	+154	+7
Advances and reimbursements		332	+332			5,562	629	+5,562	+629
Subtotal, Public Health Service	295,715	1,946,602	+1,650,887	81,300	18,183	268,857	36,234	+187,557	+18,051
St. Elizabeths Hospital:									
Salaries and expenses	2,460	8,500	+6,040	9,029	2,492	22,704	3,869	+13,675	+1,377
Buildings and facilities	933	2,200	+1,267						
Advances and reimbursements		3	+3			159	25	+159	+25
Subtotal, St. Elizabeths Hospital	3,393	10,703	+7,310	9,029	2,492	22,863	3,894	+13,834	+1,402
Social Security Administration:									
Limitation on salaries and expenses, OASI trust fund	(65,150)	(355,966)	(+290,816)	54,081	14,133	250,721	35,452	+196,640	+21,319
Limitation on construction, OASI trust fund		(7,245)	(+7,245)						
Payments for military service credits		60,000	+60,000						
Operating fund, Bureau of Federal Credit Unions		—161	—161			3,965	454	+3,965	+454
Salaries and expenses, Bureau of Federal Credit Unions	273		—273	154	34			—154	—34
Supervision of Federal Credit Unions	899		—899	737	158			—737	—158
Salaries and expenses, Office of the Commissioner	213		—213	270	42			—270	—42
Advances and reimbursements						583	124	+583	+124
Subtotal, Social Security Administration	1,385	59,839	+58,454	55,251	14,367	255,269	36,030	+200,018	+21,663
Welfare Administration:									
Grants to States for public assistance	1,329,933	3,242,100	+1,912,167						
Assistance for repatriated U.S. nationals		300	+300						
Salaries and expenses, Bureau of Family Services	1,639	6,235	+4,596	1,441	263	5,228	524	+3,787	+261
Grants for maternal and child welfare	31,503	151,000	+119,497						
Salaries and expenses, Children's Bureau	1,563	3,994	+2,431	1,250	217	3,367	327	+2,117	+110
Juvenile delinquency and youth offenses		8,000	+8,000			398	36	+398	+36
Salaries and expenses, Office of Aging		663	+663			520	48	+520	+48
Cooperative research or demonstration projects		1,800	+1,800						
Research and training, foreign currency program		800	+800						
Salaries and expenses, Office of Commissioner		1,258	+1,258			934	86	+934	+86
Assistance to refugees in United States		33,570	+33,570			483	80	+483	+80
Proposed legislation:									
Improvement of medical care for needy children under public assistance		100,000	+100,000						
Improvement and expansion of public assistance		114,000	+114,000						
Grants for maternal and child health services		25,000	+25,000						
Advancements and reimbursements						22	3	+22	+3
Subtotal, Welfare Administration	1,364,638	3,688,720	+2,324,082	2,691	480	10,952	1,104	+8,261	+624
Special institutions:									
American Printing House for Blind	175	909	+734						
Salaries and expenses, Freedmen's Hospital	2,916	4,514	+1,598	2,804	844	6,554	1,086	+3,750	+242
Salaries and expenses, Gallaudet College	437	2,250	+1,813	413	111	2,289	292	+1,876	+181
Construction, Gallaudet College	90	1,100	+1,010						
Salaries and expenses, Howard University	2,875	10,850	+7,975	3,700	986	13,942	2,040	+10,242	+1,054
Construction, Howard University	1,862	7,120	+5,258						
Plans and specifications, Howard University	17		—17						
Subtotal, special institutions	8,372	26,743	+18,371	6,917	1,941	22,785	3,418	+15,868	+1,477
General administration and other:									
Salaries and expenses, Office of Secretary	888	3,762	+2,874	1,085	209	3,656	358	+2,571	+149
Limitation payable from OASI trust fund		(483)	(+483)						
Salaries and expenses, Office of Audit		3,125	+3,125			2,995	311	+2,995	+311
Office of Field Administration	1,728	1,874	+146	1,979	416	2,683	357	+74	—59
Limitation payable from OASI trust fund and Bureau of Federal Credit Unions operating fund		(1,326)	(+1,326)						
Surplus property utilization	184	1,045	+861	142	25	854	99	+712	+74
Salaries and expenses, Office of the General Counsel	358	1,430	+1,072	776	119	2,017	208	+1,241	+89
Limitation payable from OASI and FDA funds		(879)	(+879)						
Educational television facilities		12,000	+12,000			215	21	+215	+21
Miscellaneous	2,153		—2,153	535	96			—535	—96
Working capital fund	—84	—98	—14	459	118	2,310	366	+1,851	+248
Advances and reimbursements						450	48	+450	+48
Subtotal, general administration and other	5,226	23,138	+17,912	4,977	983	15,180	1,768	+10,204	+785
Miscellaneous: Consolidated working funds	368		—368						
Total	1,943,766	7,776,389	+5,832,623	170,133	40,264	650,543	88,702	+480,410	+48,438

¹ Changes in agency and program titles since 1953 have been taken into account and as far as possible necessary adjustments have been made for comparative purposes.

² Federal Security Agency and Indian Health Activities, Department of Interior.

³ Reflects pay raise legislation enacted since 1953.

HOUSING AND HOME FINANCE AGENCY

Unexpended balances, new obligational authority, expenditures and employment, fiscal year 1965 (estimated) showing direct and insured loans estimated to be outstanding as of the end of the year

[Dollars in thousands]

Program	Expenditure availability			Expenditures	Outstanding direct and insured loans	Personal services	
	Unexpended balances start of year	New obligational authority	Total			Obligations	Average employment
Office of Administrator:							
Salaries and expenses	\$1,850	\$16,385	\$18,235	\$15,500		\$27,464	2,901
Limitation on nonadministrative expenses		(3,375)	(3,375)				
Urban planning grants	27,890	13,675	41,565	20,000			
Urban studies and housing research	220	397	617	500			
Federal-State training programs (proposed)		5,050	5,050	1,650			
Fellowships for city planning and urban studies		515	515	15			
Open space land grants:							
Administrative expenses		273	273				
Contract authorization	45,116	25,000	70,116	14,000			
Appropriation to liquidate		(14,727)	(14,727)				
Low-income housing demonstration programs:							
Administrative expenses		47	47				
Contract authorization	4,134	5,000	9,134	1,500			
Appropriation to liquidate		(1,228)	(1,228)				
Housing studies: Contract authorization	2,500		2,500				
College housing loans:							
Authorization to expend from public debt receipts	828,612	410,000	1,238,612	229,299	¹ \$1,933,451		
Revolving and management fund	63,244		63,244				
Limitation on administrative expenses		(1,975)	(1,975)				
Public facility loans:							
Authorization to expend from public debt receipts	489,271		489,271	41,211	¹ 181,595		
Revolving and management fund	14,174		14,174				
Limitation on administrative expenses		(1,270)	(1,270)				
Public works planning:							
Current appropriation		14,000	14,000	3,430			
Revolving and management fund	20,437		20,437				
Liquidating programs:							
Revolving and management fund	1,735		1,735	-3,564	¹ 10,185		
Limitation on administrative expenses		(114)	(114)				
Urban renewal:							
Authorization to expend from public debt receipts	589,759		589,759	309,776	¹ 181,498		
Contract authorization	2,911,220	1,425,000	4,336,220				
Appropriations to liquidate		(230,000)	(230,000)				
Revolving and management fund	339,364		339,364				
Rehabilitation loan fund:							
Current appropriation		10,180	10,180	976	¹ 776		
Revolving and management fund							
Community disposal operations: Operations fund	2,024		2,024	-25			
Urban mass transportation:							
Current appropriation		65,300	65,300	16,190	¹ 5,000		
Revolving fund							
Housing for elderly or handicapped:							
Current appropriation		25,000	25,000	45,365	¹ 98,466		
Revolving fund	196,447		196,447				
Limitation on administrative expenses		(950)	(950)				
Flood indemnity operations: Authorization to expend from public debt receipts	500,000		500,000				
Subtotal, Office of Administrator	6,037,997	2,015,822	8,053,819	695,823	2,410,971	27,464	2,901
Federal National Mortgage Association:							
Secondary market operations:							
Authorization to expend from public debt receipts	2,365,360		2,365,360	-42,460	¹ 1,981,738		
Trust fund	(13,166)		(13,166)				
Special assistance functions:							
Authorization to expend from public debt receipts	2,043,561	150,000	2,193,561	-515,080	¹ 975,968		
Revolving fund	9,412		9,412				
Management liquidating functions:							
Authorization to expend from public debt receipts	147,222		147,222	-50,000	¹ 1,050,891		
Revolving fund	25,196		25,196				
Government mortgage liquidation fund:							
Revolving fund				-16,400			
Aids to private housing				-8,200			
Veterans' readjustment benefits						7,072	960
Limitation on administrative expenses		(8,600)	(8,600)				
Subtotal, Federal National Mortgage Association	4,590,751	150,000	4,740,751	-632,140	4,008,597	7,072	960
Federal Housing Administration:							
Revolving fund	1,091,604		1,091,604	-108,510	² 47,622,581	8,503	911
Limitation on administrative expenses		(10,085)	(10,085)			63,750	7,920
Limitation on nonadministrative expenses		(79,775)	(79,775)			710	86
Advances and reimbursements							
Subtotal Federal Housing Administration	1,091,604		1,091,604	-108,510	47,622,581	72,963	8,917
Public Housing Administration:							
Low-rent public housing program:							
Annual contributions, appropriations		214,000	214,000	220,599	¹ 44,609		
Administrative expenses, appropriations		10,352	16,352		² 5,113,000		
Authorization to expend from public debt receipts	1,500,000		1,500,000				
Revolving fund	95,864		95,869				
Limitation on administrative expenses		(16,352)	(16,352)			13,543	1,443
Limitation on nonadministrative expenses		(1,440)	(1,440)			896	100
Advances and reimbursements						125	12
Subtotal, Public Housing Administration	1,595,869	230,352	1,826,221	220,599	5,157,609	14,564	1,555
Total, Housing and Home Finance Agency	13,316,222	2,396,174	15,712,396	175,772	59,199,758	122,063	14,333

¹ Direct loans.

² Trust fund direct loans.

³ Insured and guaranteed loans.

Mr. RIBICOFF. Mr. President, as we approach the vote on this bill I want to close by leaving the Senate with the thought that we in this Congress have an opportunity to record for history that as the representatives of the people of this Nation we were able to recognize the needs of the people and establish effective governmental machinery to fill those needs.

That is the only issue before us.

This bill creates no new spending program.

This bill adds no new authority not now provided in law.

All it does is take a loose collection of agencies which were thrown together many years ago and bind them in a logical grouping of functions headed by a Cabinet officer. And in doing so it recognizes that the problems of American communities—large and small—are important enough to have representation at the Cabinet table.

Failure to establish this Department now is failure to recognize what America is and will become as the years go by. To say that we are an urban Nation is not to detract from rural America which has contributed and will continue to contribute to the greatness of our Nation. To say that we are an urban Nation is not to detract from the hundreds and thousands of small villages and hamlets that dot our land, out of which have come our greatest leaders and thinkers and doers. Three of the past four American Presidents were "smalltown boys" and we all know that they did quite well in the big city.

I implore my colleagues to forget sectionalism—to forget statistical definitions—and to think of the need for a more efficient, more coordinated administration of the laws affecting the hometowns of everyone of us—be it large or small. The dictionary definition of the word "urban" makes no distinction about size—nor should we.

The arguments that have been raised for years against this proposal have been met by the amendments adopted by the Senate. We protect the rights of the States; we upgrade the housing function; we encourage private enterprise; we establish coordination machinery; we make it clear that all programs will be administered fairly without regard to the size or location of the municipality.

In conclusion, Mr. President, let me cite once again why a Department of Housing and Urban Development is needed.

First, the urban population of the United States is expanding at an explosive rate. When the Constitution was adopted only 5 percent of the population was in urban areas; today this has grown to 70 percent; and between today and the year 2000 more than 80 percent of our population increase will occur in urban areas.

Second, this massive expansion in urban population has created, and will continue to create, enormous and complex problems for cities and towns, counties, and States. Their financial resources are often inadequate to provide

the new facilities needed, and their political jurisdictions in many instances are too limited to permit areawide solutions. The Federal Government increasingly has been called upon to work as a partner with State, county, and local governments, and with private interests, in meeting the problems of housing and urban development.

Third. The magnitude and impact of these problems, and of the Federal programs designed to help solve them, is now so great as to require administration at the highest levels of Government. Basic criteria for departmental status include (1) administration of a wide range of permanent and complex programs directed toward a common purpose of great national importance, and (2) concern with policies and programs requiring frequent Presidential direction and representation at the highest levels of the Government. The Department of Housing and Urban Development clearly meets these tests.

Fourth. There should be, within the Cabinet, the highest council of the Federal Government, a spokesman for one of the leading interests of the Nation: housing and urban development. Cabinet rank is necessary to give proper weight to those interests among the overall interests of the Federal Government. The reason given by President Lincoln for establishing a Department of Agriculture was that agriculture was a leading interest of the Nation.

Fifth. There should be within the executive branch of the Government a focal point through which the policies affecting housing and urban development are coordinated and correlated with the programs and policies of other executive departments. Just as the Secretaries of such Departments as Treasury, Labor, and Health, Education, and Welfare speak for the President and exercise powerful influence with respect to matters of concern to them throughout the entire executive branch, so the new Secretary would be expected, in the language of the bill, to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

Mr. President, this is a historic occasion. The establishment of an executive department is not to be taken lightly. In this 176th year of our Republic the President's Cabinet consists of only 10 members. Today we take a step to add an 11th. Twelve years have passed since a new department was established. Prior to that 40 years had elapsed with no additions to the Cabinet.

This establishment of this new department has been surrounded in controversy. Now with its imminent establishment, we should all—big city and small, urban and rural—join together in helping the agency work to build a better and stronger Nation.

Mr. President, I urge adoption of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. President, I ask unanimous consent that the Committee on Government Operations be discharged from the further consideration of H.R. 6927, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut [Mr. RIBICOFF]?

There being no objection, the committee was discharged and the Senate proceeded to consider the bill.

Mr. RIBICOFF. Mr. President, I move to strike all after the enacting clause and insert in lieu thereof the language contained in S. 1599, as amended.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COTTON (when his name was called). On this vote I have a live pair with the senior Senator from Connecticut [Mr. DODD]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MILLER (when his name was called). On this vote I have a live pair with the distinguished Senator from Arkansas [Mr. McCLELLAN]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. MCGEE], and the Senator from Ar-

[illegible]

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

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For actions of August 18, 1965
89th-1st.; No. 152

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HIGHLIGHTS: House debated farm bill. House received conference reports on Foreign Aid authorization bill. State-Justice-Commerce-Judiciary appropriation bill. Senate debated bill to expand poverty program. Sen. Moss introduced and discussed sugar bill.

HOUSE

1. FARM PROGRAM. Continued debate on H. R. 9811, the farm bill. pp. 20139-88, 20219-20

Agreed to an amendment by Rep. Poage to the cotton title of the bill which he stated would allow reapportioned cotton acres to cross county lines; limit the right of open-ended production to those who are presently growing cotton and who have an allotment; provide that all cotton farm under one ownership must have the same status with regard to receipt of payments; and provide that payments on farms receiving reallocated acres shall be based on the domestic allotment as all payments are based. pp. 20175-88

Rejected the following amendments:

- By Rep. O'Brien, 89 to 105, which he stated would make clear that a bona fide farmer, engaged in selling milk at retail in his State, or within a Federal milk marketing area, or in the vicinity of his farm, shall not be subject to the provisions of the Agricultural Adjustment Act of 1937. pp. 20142-54
- By Rep. Findley, to provide that the support price for shorn wool shall not be lower than 75 percent of parity (rather than 77 percent as provided in the bill. pp. 20154-9
- By Rep. Quie, 35 to 76, which he stated would provide that "the 100 percent of support for payment in kind for feed grains would remain for that marketing year." pp. 20164-6
- By Rep. Findley, 28 to 78, to provide that feed grain certificates redeemed by CCC shall be valued at not less 105 percent of the current support price (rather than current support price). p. 20166
- By Rep. Findley, 52 to 66, to reduce the period of authority for the feed grains program from 4 years to 2 years. pp. 20166-7
- By Rep. Michel, 43 to 79, to provide that total diversion and price support payments on feed grain acreage to any producer shall not exceed 20 percent of the fair market value of the acreage diverted by such producer. p. 20167
- By Rep. Quie, to strike out of the cotton title of the bill the provision for sale and lease of allotments. pp. 20170-5
- Rep. Divine inserted a speech by Ronald Reagan discussing various subjects, including criticism of the farm program. pp. 20197-200
2. FOREIGN AID. Received the conference report on H. R. 7750, the foreign aid authorization bill (H. Rept. 811) (pp. 20132-9). As reported the bill extends the foreign aid program for one year and limits the aggregate appropriation authorization to \$3,360,000,000. Also, it prohibits the sale of surplus agricultural products under Public Law 480 to the United Arab Republic unless the President determines that such sale is essential to the national interest. Rep. Ottinger commended the extent to which American business has become involved in the foreign aid program and inserted an article, "Foreign Aid Wins Business Favor." p. 20219
- Rep. Schmidhauser inserted an article, "Wrapping Up United States Aid to China," reviewing and commending economic assistance to the Republic of China on Taiwan, including assistance under Public Law 480. pp. 20221-3
3. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL. Received the conference report on this bill, H. R. 8639 (H. Rept. 807) (pp. 20131-2). This bill includes items for contributions to international organizations and for the Bureau of Public Roads for the Federal highway program, including forest highways.
4. HOUSING. Conferees were appointed on H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (p. 20132). Senate conferees have not yet been appointed.
5. LABOR STANDARDS. The "Daily Digest" states that the Education and Labor Committee voted to report (but did not actually report) "H. R. 10518, regarding Fair Labor Standards Act Amendments." p. D813

TITLE III—DEPARTMENT OF COMMERCE

U.S. Travel Service

Amendment No. 6: Provides a limitation of \$3,500 for representation expenses abroad as proposed by the House instead of \$4,000 as proposed by the Senate.

Amendment No. 7: Appropriates \$3,000,000 for salaries and expenses as proposed by the House instead of \$3,200,000 as proposed by the Senate.

International activities

Amendment No. 8: Inserts language for mobile trade fairs as proposed by the Senate.

Amendment No. 9: Appropriates \$10,750,000 for salaries and expenses as proposed by the Senate instead of \$10,400,000 as proposed by the House.

Office of Field Services

Amendment No. 10: Appropriates \$4,200,000 for salaries and expenses as proposed by the House instead of \$4,265,000 as proposed by the Senate.

Coast and Geodetic Survey

Amendment No. 11: Appropriates \$29,200,000 for salaries and expenses as proposed by the Senate instead of \$29,000,000 as proposed by the House.

National Bureau of Standards

Amendment No. 12: Appropriates \$33,743,000 for research and technical services instead of \$33,000,000 as proposed by the House and \$34,548,000 as proposed by the Senate.

Weather Bureau

Amendment No. 13: Appropriates \$69,036,250 for salaries and expenses instead of \$68,750,000 as proposed by the House and \$69,287,900 as proposed by the Senate.

Amendment No. 14: Appropriates \$11,536,000 for research and development instead of \$10,786,000 as proposed by the House and \$11,786,000 as proposed by the Senate.

Maritime Administration

Amendment No. 15: Appropriates \$132,150,000 for ship construction as proposed by the House instead of \$124,850,000 as proposed by the Senate.

Amendment No. 16: Appropriates \$180,000,000 for operating-differential subsidies (liquidation of contract authorization) as proposed by the Senate instead of \$190,000,000 as proposed by the House.

Bureau of Public Roads

Amendment No. 17: Appropriates \$200,000,000 for repayable advances to the highway trust fund as proposed by the Senate instead of \$225,000,000 as proposed by the House.

Amendment No. 18: Deletes language proposed by the Senate.

TITLE IV—THE JUDICIARY

Courts of appeals, district courts, and other judicial services

Amendment No. 19: Appropriates \$34,292,000 for salaries of supporting personnel as proposed by the Senate instead of \$34,220,000 as proposed by the House.

Amendment No. 20: Appropriates \$3,000,000 for fees and expenses of court-appointed counsel as proposed by the Senate instead of \$3,500,000 as proposed by the House.

Amendment No. 21: Appropriates \$4,910,000 for travel and miscellaneous expenses as proposed by the Senate instead of \$4,900,000 as proposed by the House.

TITLE V—RELATED AGENCIES

Department of Health, Education, and Welfare

Office of Education

Amendment No. 22: Appropriates \$5,000,000 for civil rights educational activities as proposed by the Senate instead of \$4,000,000 as proposed by the House.

Equal Employment Opportunity Commission

Amendment No. 23: Appropriates \$2,750,000 for salaries and expenses as proposed by the Senate.

Federal Maritime Commission

Amendment No. 24: Appropriates \$3,150,000 for salaries and expenses instead of \$3,100,000 as proposed by the House and \$3,180,000 as proposed by the Senate.

U.S. Information Agency

Amendment No. 25: Appropriates \$140,000,000 for salaries and expenses as proposed by the Senate instead of \$140,254,000 as proposed by the House.

Amendment No. 26: Adds language as proposed by the Senate.

JOHN J. ROONEY,
JOHN M. SLACK, Jr.,
NEAL SMITH,
JOHN J. FLYNT, Jr.,
CHARLES S. JOELSON,
GEORGE MAHON,
FRANK T. BOW,
GLENARD P. LIPSCOMB,
ELFORD A. CEDERBERG,

Managers on the Part of the House.

ESTABLISHING DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, with amendments of the Senate thereto, disagree to the amendments and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. DAWSON, HOLIFIELD, FASCELL, REUSS, ROSENTHAL, ERLBORN, and WYDLER.

CORRECTION OF THE RECORD

Mr. OLSON of Minnesota. Mr. Speaker, I ask unanimous consent to make a correction in my remarks in the CONGRESSIONAL RECORD of yesterday, August 17, 1965, page 19947, paragraph No. 4, line 14, where it reads:

I think a transfer and selection base allowed here is going to result definitely in a kind of milk tax.

This line should be changed to read:

I think the transfer and sale of bases allowed is going to result in what might be referred to as a milk tax.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF THE RECORD

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent that the permanent RECORD be corrected on page 19976 near the bottom of the second column to read as follows:

Mr. FINDLEY. The gentleman said that the consumers have benefited under this cotton program. Looking at the "Cotton Situation Report" from the Consumer and Marketing Service of USDA I find that the price on 20 cotton constructions—the index showing product prices—has gone up each and every single month since the so-called one-price cotton program went into operation. On the other side of this some statistical table from USDA I find that each and every single month the mill margin—that is the gross profit of textile mills—has gone up. This despite the fact they had the price advantage of this program, which is costing the tax-

payers somewhere around \$900 million a year. I think it is shameful we have to consider any variation of a program which so adversely affects the taxpayers of the United States.

And on the same page correct the line reading "the buggy whip" to read "the buggy whip industry."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALL OF THE HOUSE

Mr. GRIFFIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 241]		
Adair	Dowdy	Miller
Andrews,	Duncan, Ore.	Moorhead
George W.	Dyal	Powell
Aspinall	Farnum	Reinecke
Blatnik	Gubser	Roudebush
Bonner	Irwin	Roybal
Brown, Ohio	Johnson, Pa.	Scott
Cabell	King, Calif.	Thomas
Cahill	King, N.Y.	Toll
Carter	Kornegay	Utt
Curtis	Lindsay	Younger
Dent	Martin, Mass.	
Dingell	Mathias	

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORITY TO FILE CONFERENCE REPORT ON H.R. 7750—FOREIGN ASSISTANCE ACT OF 1965

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the House conferees may have until midnight tonight to file a conference report on the bill H.R. 7750.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 811)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7750) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: That this Act may be cited as the "Foreign Assistance Act of 1965"

"PART I

"Chapter 1—Policy

"SEC. 101. Section 102 of the Foreign Assistance Act of 1961, as amended, which relates to the statement of policy, is amended as follows:

"(a) Strike out the last sentence in the seventh paragraph and substitute the following: 'It is the sense of the Congress that in furnishing assistance under this part ex-

House of Representatives

WEDNESDAY, AUGUST 18, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with these words of Scripture: Psalm 121: *The Lord is thy keeper, the Lord is thy shade upon thy right hand.*

Almighty God, whose goodness never fails and whose truth does not grow old, we beseech Thee to sanctify us, cleansing all the stains of sin from our hearts and the darkness from our minds.

Order our whole life, our thoughts and aspirations in accord with Thy will and bring them into harmony with Thy holy plans and create within us those desires which Thou dost delight to satisfy.

May there arise within us strength, healing, and victory, overcoming all confusion of purpose and that self-love which keeps us from the larger life of service and sacrifice to which we have been called.

Humbly we offer our prayer, asking for nothing that we do not ask for others whose lives are haunted by hardship and struggle for the bare necessities that they labor for.

In Christ's name we pray. Amen.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7765) entitled "An act making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 1 to the above-entitled bill.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1648. An act to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

The message also announced that the Vice President, pursuant to Public Law 170, 74th Congress, had appointed Mr. MORSE in lieu of Mr. ROBERTSON, resigned, to attend the 54th Interparliamentary Union Conference to be held in Ottawa, Ontario, September 9 to 17, 1965.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES FOR FISCAL YEAR 1966

Mr. SLACK. Mr. Speaker, on behalf of the gentleman from New York [Mr. ROONEY], I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 8639.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONFERENCE REPORT (H. REPT. No. 807)

The committee of conference on the disagreeing of the two Houses on the amendments of the Senate to the bill (H.R. 8639) "making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 6, 7, 10, 15, and 18.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 8, 9, 11, 16, 17, 19, 20, 21, 22, 23, 25, and 26, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,125,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,339,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$33,743,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$69,036,250"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$11,536,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,150,000"; and the Senate agree to the same.

JOHN J. ROONEY,
JOHN M. SLACK, Jr.,
NEAL SMITH,
JOHN J. FLYNT, Jr.,
CHARLES S. JOELSON,
GEORGE MAHON,
FRANK T. BOW,
GLENARD P. LIPSCOMB,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
ALLEN J. ELLENDER,
WARREN G. MAGNUSON,
SPESSARD L. HOLLAND,
JOHN O. PASTORE,
J. W. FULBRIGHT,
MARGARET CHASE SMITH,
LEVERETT SALTONSTALL,
KARL E. MUNDT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF STATE

Administration of foreign affairs

Amendment No. 1: Appropriates \$176,400,000 for salaries and expenses as proposed by the House instead of \$176,748,000 as proposed by the Senate.

Amendment No. 2: Appropriates \$19,125,000 for acquisition, operation and maintenance of buildings abroad as proposed by the Senate instead of \$18,125,000 as proposed by the House.

International commissions

Amendment No. 3: Appropriates \$2,125,000 for international fisheries commissions instead of \$2,025,000 as proposed by the House and \$2,300,000 as proposed by the Senate.

Educational exchange

Amendment No. 4: Appropriates \$5,800,000 for the Center for Cultural and Technical interchange between East and West as proposed by the Senate instead of \$5,500,000 as proposed by the House.

TITLE II—DEPARTMENT OF JUSTICE

Legal activities and general administration

Amendment No. 5: Appropriates \$5,339,000 for salaries and expenses, general administration instead of \$5,289,000 as proposed by the House and \$5,389,000 as proposed by the Senate.

Aug 24, 1965

14. FOREIGN AID. By a vote of 67 to 27, agreed to the conference report on H. R. 7750, the foreign aid authorization bill (pp. 20697-723). This bill will now be sent to the President. See Digest 152 for items of interest.
15. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL, 1966. Agreed to the conference report on this bill, H. R. 8639 (pp. 20659, 20660-7). This bill will now be sent to the President. The bill includes items for contributions to international organizations and for the Bureau of Public Roads for the Federal highway program, including forest highways.
16. HOUSING. Conferees were appointed on H. R. 6927, to establish a Department of Housing and Urban Development (p. 20667). House conferees have already been appointed.
17. DEFENSE DEPARTMENT APPROPRIATION BILL, 1966. This bill, H. R. 9221, was made the unfinished business. pp. 20743-5
18. RECREATION. The Interior and Insular Affairs Committee reported with amendments S. 936, to provide for the establishment of the Sleeping Bear Dunes National Lakeshore, Mich. (S. Rept. 644). p. 20633
19. FARM PROGRAM. Sen. Mondale inserted numerous letters from residents of Minn. expressing opinions on the farm program and farm conditions, and he stated that the letters "are unanimous in pointing out that their livelihood, and the vitality of rural America - both on the farm and off - depends upon adequate farm income." pp. 20695-7
20. FORESTRY. Sen. Gruening defended the proposed sale by the Forest Service of timber from the Tongass National Forest, Alaska, against recent criticism and inserted an article defending the proposed sale. pp. 20667-9
21. WATERSHEDS. The Public Works Committee approved plans for works of improvement on the following watersheds: Choccolocco Creek, Ala., Little Clear Creek, Ark.; Grove River, Ga.; South Fork-Broad River, Ga.; Supplement to Busseron, Ind.; and Supplement to SuAsCo, Mass. p. 20674
22. FARM LABOR. Sen. Bennett commended the citizens of Cache Co., Utah for providing classwork and supervised recreation for a group of children of migrant farm workers. p. 20676
23. ORGANIZATION. Cosponsors were added to S. 2411, to provide for the establishment of a commission to study the organization and operation of the executive branch. p. 20646
24. PERSONNEL. Sen. Monroney announced that the Post Office and Civil Service Committee will resume hearings Aug. 26 and 27 on Federal pay legislation. p. 20646
Sen. Gruening expressed opposition to H.R. 8390, to terminate cost-of-living allowances for statutory-salaried Federal civilian employees in nonforeign areas, stated that the bill would abolish the cost-of-living allowance for Federal classified employees in Alaska, and inserted the testimony of Rep. Rivers criticizing the bill. pp. 20674-5
25. WATER RESOURCES. Sen. Jackson announced that the Interior and Insular Affairs Committee will hold "an informal and planning hearing September 9 on the critical problems brought on by the acute water shortages in the Northeast," and that Secretary of the Interior Udall has been invited to testify. pp. 20646-7

26. EMPLOYMENT. Sen. Javits inserted Vice President Humphrey's speech to the White House Conference on Equal Opportunity on Federal efforts to promote equal employment opportunities, particularly for members of minority groups. pp. 20657-8

HOUSE, cont'd

27. PERSONNEL; PAY. As reported (see Digest 150), H. R. 10281, the Federal pay bill, includes provisions as follows:

Provides for two separate salary increases for employees subject to the Classification Act of 1949; the first increase of approximately $1\frac{1}{2}$ percent would be effective the first pay period beginning on or after Oct. 1, 1965; the second increase, to become effective the first pay period beginning on or after Oct. 1, 1966, would be based on a special formula relating to salary increases in private industry for comparable work.

Provides a procedure by which an employee who receives notice that his work is not of an acceptable level of competence shall have an opportunity to secure reconsideration of the determination within his department and, if the earlier determination is affirmed by his department, shall have the right of appeal to the Civil Service Commission for a final determination.

Authorizes overtime pay for all hours of work in excess of 8 hours a day (as well as in excess of 40 hours a week) and, for employees in grade GS-10 and above, permits calculation of their overtime pay at a maximum of the initial step of GS-10 (instead of GS-9).

Clarifies the right of major Federal employee organizations to review the Bureau of Labor Statistics annual survey findings and the results of the comparisons made of Federal and private enterprise salary rates, and the right of these organizations to have their recommendations forwarded to the President for his consideration.

Authorizes severance pay for employees who are separated from Federal service through no fault of their own and are not entitled to immediate civil service retirement benefits, the severance pay to consist of two elements--a basic severance allowance and an age adjustment allowance--the total of which would not exceed a year's pay.

Provides for proportionate salary increases in 1965 and 1966 for ASC county committee employees.

Increases the maximum uniform allowance from \$100 to \$150 per year for employees who are required to wear uniforms in the performance of their official duties.

Provides for the conversion of certain executive and other employees from their present monthly pay periods to the biweekly pay system.

Provides for the establishment of a Federal Salary Review Commission to review the compensation of Federal employees, including that of Federal executives, judges, and Members of Congress, and to submit to the President not later than Jan. 1, 1967, and Jan. 1 of every fourth year thereafter beginning in 1971, a report containing its recommendations concerning basic rates of compensation; requires the President, after considering the Commission's recommendations, to transmit to Congress, not later than March 31, 1967, and not later than March 31 of every fourth year thereafter beginning in 1971, his recommendations as to rates of basic compensation. Provides for the automatic adjustment in the salary rates of Federal executives, judges, and Members of Congress, whenever the salary rates of classified employees are increased, as will maintain the present salary relationship both among these groups and between them and employees subject to the Classification Act of 1949.

ITEMS IN APPENDIX

28. WATER. Rep. Brock inserted an article calling for urgent attention to the problems of water pollution and drought. pp. A4720-1

either partially or wholly ignored. Therefore, when the distinguished chairman received the letter from Mr. Boyd, which has been placed in the RECORD, we added an amendment to the bill, because it is obvious that Mr. Boyd believed that he was not required to pay any attention to language in the report.

What the chairman has said is correct. There is a very narrow line. I understood that the President had vetoed the military construction bill over the weekend because of similar language in that bill. Nevertheless, we cannot get away from the fact that it is the duty of Congress to legislate, and that it is up to the executive branch to implement and administer the laws. In this instance, when Congress has put this language in the report, it is up to the executive branch of the Government to respect it. After the amendment was added in committee, there was a great deal of telephoning to Members of the House. A great deal was said about the amendment not being permitted to remain in the bill under any circumstances. We have seen it implemented now in the veto of the military construction bill. It evidences the attitude of the administration. Laying aside the constitutional question, as the Senator from Arkansas has suggested, if we are to get into this kind of situation we shall have a government which will be running less smoothly, and even operating sometimes as though we were pulling on a rope in opposite directions.

I am appreciative of what the Senator has done. I appreciate his support. I am sorry that the House Members of the conference committee were influenced to the point where they were absolutely adamant about this matter and would not even consider it. This will not contribute to better relations. I do not believe they can justify their planned action.

In conclusion, I know no motion would prevail at this time. I know of the efforts that the chairman has made. I am appreciative of those efforts. I shall not make a motion with respect to the conference report. However, I hope that we shall be able to see some of the departments of Government paying attention to the language we put in reports and in bills, because that is a part of the duty we are sent here to perform.

Mr. McCLELLAN. I wish to make a further observation. During the course of the hearings on the bill Secretary Connor and a number of his subordinates appeared and testified before the committee. At no time did they suggest to the committee that they had in mind closing any of the regional offices. Instead, they asked for an increase of \$1,600,000 for administrative purposes. If they had indicated it, testimony could have been developed on that point. It may very well be that some regional offices or all of them should be closed. I do not know. I am not opposing the closing of them. What I am not pleased about is that they should come in and ask for an increase in the appropriation and then, after they have gotten it, should have a plan—and had it all along, perhaps—to close some offices. I do not believe it would hurt the head of any

agency or the head of any department, when he comes before the Appropriations Committees of Congress, to be frank and candid, and to lay his cards on the table. If they have a plan under which they can economize, or a plan to increase their efficiency, there is no reason why they cannot frankly and candidly confide in Congress on those plans. When an agency comes before us and asks for an increased appropriation for administrative purposes, it makes it a little difficult to grant the request with all the confidence that we could if there had been demonstrated an attitude of frankness and candor with Congress, and evidence that the agency was laying its cards face up on the table, so that we could be advised and informed and know better how to exercise our judgment with respect to the amount of the appropriations that we should grant.

We shall have to see what will happen in the future. For the present, the issue is lost. They are now free to close one or all regional offices, without consulting Congress in any way at all. If Congress wants to agree to it, or if we are compelled to submit to that policy, we shall have to submit to it. However, there are powers in Congress which Congress can exercise and can refuse to delegate to the executive department. It may be to their interest to be cooperative. This is a two-way street.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. RIBICOFF. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RIBICOFF, Mr. JACKSON, Mr. KENNEDY of New York, Mr. MUNDT and Mr. SIMPSON conferees on the part of the Senate.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSERVATION EXTREMISTS NOW ATTACK THE NATIONAL FOREST SERVICE

Mr. GRUENING. Mr. President, as a conservationist I have been somewhat troubled by the efforts of a group of extremists among my fellow conservationists to lose sight of human values and of the concern for man's welfare when conservation problems arise.

I have referred in the past to the highly organized campaign against the building of the Rampart Canyon Dam in Alaska. Articles which grossly misrepresent the facts are sprouting in various magazines and are accepted by the uninformed as gospel. I have had occasion to reply to them as have others who are no less concerned about conservation than I am but who appreciate the need to differentiate between wise utilization with assurance of perpetual supply in contrast with mere preservation and nonutilization.

In another form, this issue has cropped out again in southeastern Alaska in connection with a proposed timber sale by the U.S. Forest Service.

It should be pointed out that Alaska has done extremely well in the field of conservation and in related issues. Its national parks occupy approximately one-third of all the national park areas of the Nation and Alaskans rejoice in them. Its wildlife ranges and refuges cover twice the acreage of all the refuges and wildlife ranges in the other 49 States. Its national forests occupy a larger area than the national forests of any other State. Its territorial legislature, 20 years ago, banned billboards from our highways.

Only 11 years ago, our vast forest resources were not only not utilized but were going to pot; through nonuse, aging, decay, and insect ravages, they were rapidly deteriorating. For years, partly because of the relative inaccessibility of Alaska and high transportation costs, among other facts, except for a few small sawmills, these vast timber resources were not utilized, although the Tongass and Chugach National Forests had been established in 1907.

In 1954 a pulpmill was established at Ketchikan and subsequently another pulpmill at Sitka—the first substantial utilization of this great resource. The logging to supply them of course follows the conservation procedures which the Forest Service insists upon and seeks to be vigilant in enforcing.

More recently it has advertised a large timber sale which will provide for the utilization of most of the remaining timber in the 16-million-acre Tongass National Forest, which roughly coincides with the entire area of southeastern Alaska, known also as "The Panhandle." This proposed sale has been violently attacked in one of the magazines which caters to hunters, fishermen, and sportsmen, namely, "Field and Stream," which,

in lurid tones, has described this as destructive and injurious to wildlife, which in this instance, are brown bear. This appears to be another example of extremism and emotional appeal with little foundation, and its allegations are emphatically denied by the Forest Service.

The Forest Service scarcely needs defenders on the score of its not being concerned about conservation. Its record has been good in this field. It is concerned about wise utilization on the principle of perpetual yield, and not mere preservation. Mere preservation, such as is sought by the article in *Field and Stream*, and its school of extremists, would mean the deterioration of this timber resource and its nonuse, the very antithesis of wise conservation.

A reply to the attack in *Field and Stream* appears in the September issue of *National Forests*. It is written by Vern Metcalfe, an experienced newspaperman and radio commentator of Juneau, Alaska. It is not written in the sensational, biased language of the article on which it comments; but it gives the facts.

I ask unanimous consent that the article by Vern Metcalfe, appearing in the September issue of *National Forests*, entitled "Tongass Timber Sale," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

TONGASS TIMBER SALE

(By Vern Metcalfe)

It was not by accident that Alaska's Senator E. L. "BOB" BARTLETT took the floor of the Senate on the same day the largest timber sale in Forest Service history was announced in the new State. As announced by region 10 of the Forest Service, bids will be advertised on or about September 1, 1965, for 8,750 million board feet of timber near Juneau on the North Tongass National Forest; said timber to be harvested under the terms of a contract extending over a 50-year period. As the announcement was being made, Senator BARTLETT was telling his Senate colleagues the impact the sale would have on the struggling Alaskan economy but carefully noted the State is concerned about the conservation aspects of the deal as well.

And with considerable reason. Already some elements of conservation are protesting certain phases of the proposed sale particularly the inclusion of one portion of Admiralty Island in the deal. Opening gun of the opposition is believed to have been an article entitled, "Night Falls on Admiralty," by Richard Starnes in *Field and Stream* magazine. One Forest Service spokesman in Alaska has already labeled those in opposition as "extremist conservationists." In Washington, Forest Service headquarters took note of the incipient opposition in a carefully worded five-page release prefaced by a "Memorandum to Conservation Leaders," signed by Clint Davis, Director of Information and Education for the Service.

In the signed release, Mr. Davis noted that the sale has been in the planning and development stage for several years and has undergone careful analysis as to its possible long-range effects on the region and its resources. He noted there has been "strong opposition to any timber cutting in Alaska and we would like you to have our appraisal of the facts."

Continuing, Mr. Davis said, "We believe that many areas in the State should be harvested. This particular sale represents a direct return to the Government of about \$25

million and a product value of over \$750 million. As significant as this monetary contribution is to the economy of Alaska, the important thing is that this timber will be harvested with due regard for all values and at a rate of cutting that can be sustained indefinitely. The record of the Forest Service is assurance that all natural resources, including esthetics as well as fish and wildlife, will be given the fullest possible protection."

Thus the word from Washington as the biggest timber sale in National Forest history goes into the hopper.

The timber is in three large blocs, two on the mainland, and the third on Admiralty Island, which is one of the largest in the southeast Alaska archipelago. Admiralty is 100 miles long and 30 miles wide at its widest point and comprises some 1,064,960 acres of land including 11 lakes that are reserved for both present and future recreational development.

The sale would cause the harvesting of some 8,750 million board feet of spruce and hemlock timber which predominates in the panhandle of the 49th State. It also will be the last large sale of timber in the Tongass National Forest since once the harvest begins nearly seven-eighths of the allowable cut will have been achieved.

Timber cut during the calendar year of 1965 will amount to 500 million board feet and the maximum allowable cut in the forest is 824 million board feet under present timber technology. Howard Johnson, the regional forester for the Alaska region, noted, when announcing the sale, that "we feel that improvements in technology will cause a boost in this allowable cut by some 50 percent within the next 35 years." Johnson explained that only about one-third of the timber included in the three blocs was economically feasible to harvest under present logging techniques.

The sale, as proposed, was over 2 years in being put together in its present package and represents what the Forest Service hopes will become the keystone to an integrated forest products industry centered in the Juneau area. Although Johnson would not state that the Juneau area would be the ultimate beneficiary of the sale if it goes through, one look at the map of the areas indicates that this would be the logical place for future mills to be located.

When queried on the possible location of mill-sites, Johnson stated, "Obviously I cannot speak for the ultimate successful bidder but those interested in such an operation are also deeply concerned with community facilities and deep water harbors." The Juneau area offers two deep water harbors and has a population estimated at about 14,000 with nearly half of it living outside the corporate city limits. Douglas, located on an island directly across from Juneau, has a population of around 1,800 and the bulk of the other residents live in the rapidly expanding subdivisions north of Juneau.

Johnson also noted in a press conference on Friday, July 30, in Juneau that if the purchaser chose to expand his plant capacity beyond the 175 million board feet provided annually by this mill that he could compete in independent sales on the Tongass National Forest. Independent areas for sales are comprised of smaller plots of timber outside of the pulp sales area and can produce approximately 325 million board feet per year. This volume is offered in sales of various sizes and for terms varying from 1 to 10 years under competitive bids. Johnson also said that he felt the successful bidder would undoubtedly use the bulk of the timber in a pulp mill, but as much as 25 percent of the volume is of a quality which should justify higher valued manufactured production as Alaska's timber economy develops.

The Tongass National Forest is comprised

of roughly two-thirds hemlock and one-third Sitka spruce and the harvest of the timber, much of it overmature, is conducted on a "clear-cut" basis. The hemlock is considered best for utilization in the present pulp mills, located in Sitka and Ketchikan, and the spruce is much favored by sawmill operations. It also has been found to make a high-quality plywood product which draws a premium price on the market.

One Forest Service official had indicated prior to the sale that the Forest Service felt that the sale could support not only a pulp mill but a plywood mill, a sawmill, and, perhaps, a chipping mill operation. A Juneau economist has predicted that the economic impact on the Greater Juneau area could amount to installations valued at over \$200 million over a period of the next 10 years, providing, of course, that the industry is centered in the capital city area. The contract for the sale provides that the plant, or plants, will be installed and in operation prior to July 1, 1971. It is of interest that a Federal power project at Snettisham, some 40 miles south of Juneau, is due to have power on the line not later than 1970.

The availability of power nearby plus a more than adequate supply of water leads many observers to feel that the new mill or mills will be located near Juneau.

The sale is not without certain problems to all concerned. The inclusion of Admiralty Island has aroused certain elements of those concerned with conservation. This had long been anticipated by not only the U.S. Forest Service but also by Alaska's congressional delegation and Gov. William A. Egan. It is not considered accidental that the August issue of the magazine *Field and Stream* carried the article "Night Falls on Admiralty" authored by Starnes.

Reproductions of the article were provided to those in attendance at the announcement of the sale, although no mention was made of it during the press conference. The article is based on a "clear-cut" made on Admiralty Island and gives the impression that the land in question will never replenish itself. A Forest Service official in Juneau noted that, "Starnes was here and could have found out that our research has indicated that this, or any cut, will restock itself by 99 percent 2 years after such a cut." He added, "Starnes, however, did not walk the few blocks to see our research people nor did he view a nearby site where timber was 'clear-cut' some 40 years ago." The regrowth in that particular stand on Douglas Island is nearly twice as dense as nearby stands that remain unharvested.

The Starnes article is viewed as merely the first assault on the sale mainly based by those preservationists who would have Admiralty remain in its present near-primeval state. Actually the timber in question is located on the western side of the island while the bulk of the much-sought-after trophy animal, the Alaska brown bear, is located on the eastern side of the island. The Forest Service, anticipating the onslaught of what one official terms "extremist conservationists," produced a fact sheet on the huge island for the announcement of the sale.

The sheet indicates that "although its (Admiralty's) most widely publicized resource is the brown bear (average kill—50 to 60 bears per year), the greatest resource values found are in its timber stands, salmon spawning streams, and general recreation potentials." The information also indicates that 5 of the 16 major salmon streams (producing 50,000 to 100,000 fish per year) "on this island are within the proposed cutting area * * * Two watersheds supporting salmon streams have been cut during the past 5 years. * * * Surveys indicate that there has been no noticeable effect upon the production of salmon from these streams, either during or after the logging operations."

Aug 26, 1965

Farmers Home Administration:

Rural Housing Insurance Fund	\$100,000,000
Salaries and expenses (for administrative costs associated with the Rural Housing Insurance Fund)	4,000,000

Forest Service:

Forest Roads and Trails (Liquidation of Contract Authorization - for repair of damage caused by floods in the Northwest states)	<u>23,500,000</u>
Total	<u>\$130,271,000</u>

10. HOUSING. Received the conference report on H. R. 6927, to establish a Department of Housing and Urban Development (H. Rept. 884). pp. 21134-6, 21161
11. EDUCATION. Passed, 367 to 22, with amendments H. R. 9567, the proposed Higher Education Act of 1965 (pp. 21061-131, 21147). The bill provides for Federal aid to institutions of higher education to assist in seeking solutions to urban and suburban problems through college and university community service projects, and to improve library services, to provide assistance to needy students, etc., and provides for the establishment in the Office of Education of a National Advisory Committee on Community Service Programs, including a representative from this Department.
12. CONTRACTS; LABOR STANDARDS. The Education and Labor Committee voted to report (but did not actually report) H. R. 10238 (amended), to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. p. D850
13. AIR POLLUTION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) S. 306 (amended), to amend the Clean Air Act to require standards for controlling the emission of pollutants from gasoline-powered or diesel-powered vehicles, and to establish a Federal Air Pollution Control Laboratory. p. D851
14. RESEARCH. The Rules Committee reported a resolution for consideration of H. R. 3420, to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise. p. 21161
15. TRANSPORTATION. The Rules Committee reported a resolution for the consideration of H. R. 5863, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation. p. 21161
16. DATA PROCESSING. The Rules Committee reported a resolution for the consideration of H. R. 4845, to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies. p. 21161
17. FARM LABOR. Rep. Cederberg again discussed the farm labor problems of the Mich. pickle farmers, and criticized statements made by Rep. Race as to the success or failure of the A-team program. pp. 21147-8

18. SCHOOL LUNCH; TURKEYS. Rep. Langen urged the use of turkeys in the school lunch program "to help stabilize the market for this commodity." p. 21150
19. PERSONNEL; PAY. Rep. Multer inserted his statement in support of a salary increase for Federal employees. pp. 21153-4
Received from the Labor Dept. proposed legislation entitled "Federal Employees' Compensation Act Amendments of 1965"; to Education and Labor Committee.
20. ADJOURNED until Mon. Aug. 20. p. 21160

ITEMS IN APPENDIX

21. LIBRARIES. Rep. Landrum inserted a speech entitled "The Changing Role of Libraries", discussing the concept of a national complex of library systems. pp. A4826-8
22. MILITARY CONSTRUCTION; VETO. Rep. Clevenger inserted a newspaper article supporting the President's veto of the military construction bill. p. A4829
23. FARM LABOR. Extension of remarks of Rep. Cederberg commending and inserting an article, "Teen Pickle Pickers Fail as Bracero Replacements" describing a shortage of farm labor from the Mich. cucumber harvest. pp. A4832-3
24. OPINION POLL. Extension of remarks of Rep. Davis, Wisc., inserting the results of his opinion poll. pp. A4835-6
25. TOBACCO. Rep. Boggs inserted an article describing a La. tobacco crop known as perique. p. A4836.
26. WATER. Rep. Davis, Wisc., inserted an article discussing the leading role of a Wisc. company in the research and development of water desalinization plants. pp. A4837-8
Rep. Brown of Calif. inserted an article commending administration actions to meet water shortages in the Northeast, yet urging private enterprise development of water supply systems. pp. A4846-7
27. FARM PROGRAM. Speech in the House by Rep. Philbin supporting the farm bill. pp. A4839-40
28. SUGAR. Extension of remarks of Rep. May objecting to statements made before the House Agriculture Committee by a lobbyist on behalf of the Association of Sugar Producers of Mexico that U. S. domestic sugar production should be reduced. pp. A4841-2
29. SOIL CONSERVATION. Rep. Laird inserted a Wis. Legislature joint resolution memorializing Congress to restore SCS funds for conservation technical assistance and for conservation and resource development works. p. A4851

BILLS INTRODUCED

30. RECREATION. S. 2460 by Sen. Ribicoff, to authorize the establishment of the Connecticut River National Parkway and Recreation Area, in the State of Connecticut, Massachusetts, Vermont, and New. Hampshire; to Interior and Insular Affairs Committee. Remarks of author pp. 21172-3

The Justice Department has said that Federal registrars would register Negro illiterates in counties where there had been registration of white illiterates. The Department should, in a sense of fair play, indicate what evidence it has that white illiterates have been registered in Wilcox County. In actuality, there has been no registration of white illiterates in Wilcox County. However, the mass registration of Negro illiterates may spur the county officials to begin the mass registration of white illiterates, creating conditions which nobody wants.

The present trend of events does not indicate progress toward the objectives sought by reasonable men of sense and fairness.

While we all can recognize errors of the past it is quite another thing to make an honest assessment of present achievements, and guide our actions accordingly.

We should ask ourselves if vindictive Federal attitudes of retribution are really what the country wants, or if they can provide a basis for the solutions of problems.

Or are the last vestiges of good will being eroded away among citizens in communities like Camden, setting the stage not for progress and harmony, but rather for chaos and suspicion?

I ask that the Attorney General consider his actions in Wilcox County from the standpoint of how racial harmony is really achieved. I ask him what price he is prepared to pay, and what price he is asking the population of Wilcox County to pay, for the mass voting registration of illiterate persons by Federal order.

When reasonable men use reasonable methods to achieve reasonable objectives in race relations, then progress will be achieved in any part of the country or the world.

This is the principle that the people both Negro and white in Wilcox County ask be applied.

POSSIBLE RACIAL VIOLENCE IN NATION'S CAPITAL UNLESS DISTRICT OF COLUMBIA IS GIVEN SELF-GOVERNMENT

(Mr. NELSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELSEN. Mr. Speaker, United Press International is carrying a wire service statement today saying:

At the signing ceremony, President Johnson warned of possible racial violence in the Nation's Capital similar to the Los Angeles riots unless the District of Columbia is given self-government.

As ranking minority member of the House District Committee, I am confident the people of the District of Columbia have far too much common sense and decency to cause violence because Congress passes or does not pass a bill. I am surprised the President has so little confidence in the citizens here.

We all realize, however, there is utmost need for caution and temperance during this period of racial unrest around the

country. Inflammatory statements by public officials plant the seeds of illegal and violent behavior, and are a tragic disservice to all the people of the Nation. I personally resent this attempt to black-jack Congress.

All of us ought to realize by this time the goals of all Americans are to be found within the fabric of law, education, public understanding, and progress. They will not permanently be gained by any lesser means, and certainly not by holding a pistol to the heads of Members of Congress.

THE MACGREGOR AMENDMENT

(Mr. CHELF asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include editorials.)

Mr. CHELF. Mr. Speaker, on yesterday, August 25, 1965, during the debate of H.R. 2580—the immigration bill—I spoke on the MacGregor amendment urging its adoption. Mr. Speaker, at the conclusion of my speech I had fully intended to include as a part thereof two editorials, one quoting from the New York Times of July 17, 1965, and the other from the Christian Science Monitor under date of August 17, 1965. Both of these splendidly written documents have very capably, succinctly, and efficiently stated the case as to just why Latin American countries should be covered under the so-called worldwide ceiling on the number of immigrants permitted to come into the United States yearly. The New York Times hit the bull's eye right on the pupil when it said:

While the entire law is being overhauled, it would be better to place all the nations of the world, including those to the south of the United States, on exactly the same footing.

The Christian Science Monitor said, among other things, that:

Administration opposition centered on the claim that to impose such a limit would endanger diplomatic relations with several Latin American States. This seems like an inadequate excuse for several reasons. We find it hard to believe that any government believes its citizens have a right per se to migrate to any other country. In the second place, certain of the New World lands themselves place high hurdles before many U.S. citizens where immigration is concerned. Thus, Mexico virtually demands that a newcomer, including one from the United States, be financially independent before going to Mexico to live, and there are signs that Canada unofficially discourages immigration of nonwhites, among them American Negroes.

This fine newspaper also refuted the argument that unlimited immigration of Jamaicans each year into the United States would not adversely affect our American-born Negroes. We here in the Congress have passed civil rights and voting rights in order to help our own native-born Negroes—and yet, in our exuberance to help and to assist our own colored people, we blindly and unwittingly deprive him of his job rights, by allowing cheap labor in the form of new Jamaican immigrants to arrive and to compete against him.

This editorial of the Monitor backs up my own contention that the population

of Latin America is growing more rapidly than in any other part of the world. To be exact, as I stated yesterday, the experts have told our Immigration Subcommittee that the present 200 million people residing in this area will increase to over 600 million in less than 35 years. Also the experts have informed our subcommittee that the present world population of 3 billion 300 million people in approximately 30 years will double, reaching 6 billion 600 million people. In 2050 it is estimated to reach 25 billion people. As Latin America increases in population it will decrease in its ability to solve its own economic headaches and heartaches and, as a result—the overflow will take off for the United States and a job. You talk about trouble now—we will really have it then.

Mr. Speaker, I am pleased to attach these quotes from these two great American newspapers and I urge my colleagues carefully and prayerfully to read, digest, and follow their excellent logic, reasoning, and suggestions.

I know that all of us feel kindly toward all of our neighbors in this hemisphere but we are charged with the responsibility and are sworn to represent to the best of our ability the United States of America. I hate to differ with my President and his advisers in the State Department but I am of the opinion that these advisers are giving the President the benefit of their misunderstanding of the whole problem. We had better settle the matter now, once and for all time. To delay it is begging for more trouble.

Mr. Speaker, in conclusion may I say that it has just this minute come to my attention that a UPI report No. 115 on their ticker tape states that the Senate Subcommittee on Immigration has just accepted the MacGregor amendment that was both adopted and rejected by the House on yesterday. It says:

Senate Republican Leader DIRKSEN said the question of placing quotas on Western Hemisphere immigrants was discussed last night with President Johnson at the White House. He said Johnson offered no objection.

Mr. Speaker, if this story is true then it is quite clear that the State Department has changed its signals and its Presidential advice. The State Department vigorously endorsed the opposition to the MacGregor amendment on yesterday. But then that was yesterday. On yesterday it rained, but today the weather has changed. It is a fair day for America. The President is to be congratulated on overruling his "State advisers."

[From the New York Times, July 17, 1965]

PROGRESS ON IMMIGRATION

Secretary Rusk urges that Latin American nations remain outside any ceiling, as they are now outside of the quota system. But this well-intentioned position could lead to trouble and ill will in the not so distant future if immigration from Latin America and the Caribbean should grow sharply as there are signs that it will, and pressure were then built up to limit a sudden flood of immigrants for which the country was unprepared. While the entire law is being overhauled, it would be better to place all the nations of the world, including those to the

south of the United States, on exactly the same footing.

[From the Christian Science Monitor, Aug. 17, 1965]

NEW WORLD IMMIGRATION

Applying intense pressure, the administration struck from the immigration reform bill a measure which many experts believe will have to be faced in the near future. This was a provision which would have placed a limit on migration into the United States from the rest of the New World.

Administration opposition centered on the claim that to impose such a limit would endanger diplomatic relations with several Latin-American states. This seems like an inadequate excuse for several reasons. We find it hard to believe that any government believes its citizens have a right to migrate to any other country. In the second place, certain of the New World lands themselves place high hurdles before many U.S. citizens where immigration is concerned. Thus Mexico virtually demands that a newcomer, including one from the United States, be financially independent before going to Mexico to live, and there are signs that Canada unofficially discourages immigration of nonwhites, among them American Negroes.

But all such considerations aside, Washington must surely realize that, at any moment, it could face a deluge of would be Latin American immigrants. The flood of Puerto Ricans which has poured into New York, and the wave of Jamaicans which has flowed into Britain during the last 15 years are but tokens of the vast numbers who might someday wish to leave underdeveloped homelands.

For two crucial facts must be faced. The first is that the population of Latin America is growing more rapidly than that of any other large area in the world. The second is that, on the whole, the Latin American nations are failing to solve their economic problems. Thus the pressure on resources grows and grows. Eventually Latin Americans from many lands may decide to do what Puerto Ricans and Mexicans have done in such large numbers—go to the United States.

It would seem that a reasonable legal limit on migration from Latin America, if adopted today, could prevent the need to adopt more stringent legislation tomorrow.

ESTABLISHMENT OF A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. HOLIFIELD submitted the following conference report and statement on the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 884)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Department of Housing and Urban Development Act'.

"DECLARATION OF PURPOSE

"SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national

purpose, sound development of the Nation's communities and metropolitan areas in which the vast majority of its people live and work.

"To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development; to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

"ESTABLISHMENT OF DEPARTMENT

"SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the 'Department'). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the 'Secretary'), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

"(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to community and metropolitan development problems; consult and cooperate with State Governors and State agencies, including, when appropriate, holding informal public hearings, with respect to Federal and State programs for assisting communities in developing solutions to community and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of community and metropolitan development programs and projects; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban and community development activities; encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department; and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

"(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its popula-

tion or corporate status, except as may be expressly provided by law.

"UNDER SECRETARY AND OTHER OFFICERS AND OFFICES

"SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. There shall be in the Department a Federal Housing Commissioner, who shall be one of the Assistant Secretaries, who shall head a Federal Housing Administration within the Department, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

"(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

"(c) There shall be in the Department a Director of Urban Program Coordination, who shall be designated by the Secretary. He shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban and community problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

"TRANSFERS TO DEPARTMENT

"SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

"(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

"(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his rec-

ommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949 (63 Stat. 203), as amended, or by statute.

"CONFORMING AMENDMENTS

"SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: 'Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development.'

"(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development.'

"(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

"ADMINISTRATIVE PROVISIONS

"SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

"(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

"(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

"(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

"(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

"(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other sup-

plies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

"(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

"ANNUAL REPORT

"SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress of the activities of the Department during the preceding calendar year.

"SAVINGS PROVISIONS

"SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

"(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

"(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

"SEPARABILITY

"SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder

of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

"EFFECTIVE DATE AND INTERIM APPOINTMENTS

"SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

"(b) In the event that one or more officers required by this Act to be appointed, by and with the advice and consent of the Senate, shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act."

And the Senate agree to the same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
DANTE B. FASCELL,
HENRY S. REUSS,
BENJAMIN S. ROSENTHAL,
JOHN N. ERLBORN,
JOHN W. WYDLER,

Managers on the Part of the House.

ABRAHAM RIBICOFF,
HENRY M. JACKSON,
ROBERT F. KENNEDY,
JACOB K. JAVITS,
MILWARD L. SIMPSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

The Senate amendment deleted nothing substantive from the House bill but made a number of additions.

The Senate inserted the word "community" or substituted it for "urban" at various points in the bill so that the areas affected by the legislation would be broadened to include "community" as well as urban, suburban or metropolitan as were contained in the House bill. The managers on the part of the House accepted this amendment.

The declaration of purpose in the House bill was amended by the Senate to encourage the solution of problems of mass transportation and also to encourage the maximum contributions that may be made by the vigorous private homebuilding and mortgage lending industries to housing, urban devel-

opment and the national economy. These additions were accepted by the managers on the part of the House.

In section 3, the Senate created an additional responsibility for the Secretary of the new Department to consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to community and metropolitan problems and for encouraging effective regional cooperation in the planning and conduct of community and metropolitan development programs and projects. It also required the Secretary, upon the request of the Governor of any State, within 60 days of such request, to hold an informal public hearing in any community of such State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be, or is being, carried out in such community. The conferees substituted for the above a provision requiring the Secretary to "consult and cooperate with State Governors and State agencies including, when appropriate, holding informal public hearings with respect to Federal and State programs for assisting communities in developing solutions to community and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of community and metropolitan development programs and projects." The holding of such public hearings would be entirely discretionary with the Secretary. The Senate managers receded and agreed to this provision.

In section 3, a further responsibility was placed upon the Secretary by the Senate to "encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department." The managers on the part of the House agreed to this amendment.

The House bill included a provision in section 4 that one of the Assistant Secretaries of the new Department shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market. The Senate added a provision that "There shall be in the Department a Federal Housing Administration headed by a Federal Housing Commissioner who shall be appointed by the President, by and with the advice and consent of the Senate. The Federal Housing Commissioner shall have such duties and powers as may be prescribed by the Secretary." The conferees agreed to eliminate both provisions and substitute the following:

"There shall be in the Department a Federal Housing Commissioner, who shall be one of the Assistant Secretaries who shall head a Federal Housing Administration within the Department, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market."

The Senate added an additional subsection to section 4 creating within the new Department an Office of Urban Program Coordination headed by a Director, to be appointed by the Secretary, who will assist the Secretary in achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. The conferees agreed that such an Office would not be created, but that a position in the Department would be established called the Director of Urban Program Coordination, to be designated by the Secretary, to assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments

and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban and community problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

In section 5, the Senate included an amendment providing as follows:

"(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provisions of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute."

The managers on the part of the House receded from their disagreement with this amendment and adopted the Senate provision.

WILLIAM L. DAWSON,
CHET HOLFIELD,
DANTE B. FASCELL,
HENRY S. REUSS,
BENJAMIN S. ROSENTHAL,
JOHN N. ERLÉNBERG,
JOHN W. WYDLER,
Managers on the Part of the House.

HOME RULE IN THE DISTRICT OF COLUMBIA

(Mr. McMILLAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include several statements.)

Mr. McMILLAN. Mr. Speaker, the District of Columbia Committee of the House had the opportunity this morning of listening to members of the Washington Board of Trade, at which time they made a very substantial statement, and I think one of the best statements I have listened to in quite a number of years, on the so-called home rule legislation pending before the Committee on the District of Columbia of the House of Representatives.

I recently stated I had not received more than perhaps a half dozen letters concerning home rule since Christmas from residents of the District of Columbia.

The board of trade has a membership of 7,000 business and professional men here in the District of Columbia. They prepared a unanimous statement and presented it to our committee this morning.

I am including that statement as a part of my remarks, and I hope every Member will take a chance on reading

this. If you have signed the petition you might want to take your name off.

These statements are as follows:

STATEMENT OF F. ELWOOD DAVIS, PRESIDENT, METROPOLITAN WASHINGTON BOARD OF TRADE, SUBCOMMITTEE No. 5, HOUSE DISTRICT OF COLUMBIA COMMITTEE, AUGUST 26, 1965

I am F. Elwood Davis, a practicing member of the Bar in the District of Columbia. I am a native of the District of Columbia. I reside at 2301 California Street N.W.

I appear here today in my capacity as President of the Metropolitan Washington Board of Trade to express views authorized by our board of directors respecting so-called home rule bills being considered by this committee.

The District of Columbia form of government and the question of suffrage for District of Columbia residents have received continuous attention in the Board of Trade for more than half a century. Forty-nine years ago, in 1916, the board adopted policy favoring rational representation for the District of Columbia. We have engaged in extensive activities in furtherance of that objective for many years and continue to do so today. We believe the board has great competence to comment on the bills under discussion—much more than some of the agencies and organizations and persons currently articulating loudly and frequently about the District of Columbia form of government.

Most business and professional civic leaders of Washington since 1889 have been members of the board of trade. A large number of community leaders in the Federal city today are members and have served as chairmen of its committees. Our board of directors and officers, a list of which is attached, is certainly composed of men of proven ability and judgment as well as men whom you will recognize as having been leaders in many important civic enterprises. We believe the committee will agree that this group of Washingtonians is well qualified to discuss local matters. One additional observation to this point—the presidents, directors, and leaders in the board of trade have always been men whose lives have been intimately identified with this community. A large majority of the men who have served as presidents of the board of trade have been natives of Washington. We believe this is important in that it demonstrates that the board of trade may speak from a leadership experience which is preeminent in this city.

So there will be no misunderstanding, let it be recorded that the members of the board of trade and the board of trade as an organization fully subscribe to the basic American democratic philosophy. We believe that all Americans, including those residing in the Federal City, should have a voice in their government through selecting officials who govern them. This is clearly demonstrated by our active interest in securing for the people of the District a vote for President and Vice President.

The board of trade was the prime mover in this effort which owes much of its success to the board's vigorous activity at the time of its adoption and for some years previous. I can speak with authority on this point as I was the chairman of Citizens for Presidential Vote for the District of Columbia, which carried on the effort to secure the favorable action by Congress and three-fourths of the States needed for adoption of the 23d amendment to the Constitution, which gave District residents the vote for President and Vice President for the first time since 1800.

The board of trade in its positive direction is still seeking for the people of the District representation in the Congress which, under the Constitution, is and must continue to be the agency invested with the exclusive power to govern the District of Columbia.

We wish to emphatically note—for the committee's information—that the board's

DIGEST of Congressional Proceedings

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For actions of Aug. 30, 1965
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HIGHLIGHTS: Senate passed appropriation continuing resolution. Sen. Fulbright urged sale of wheat to Russia. Rep. Findley urged caution in drafting new sugar legislation, and criticized possible "new wheat deal" with Russia. Sen. Ribicoff introduced and discussed pesticide control bill. Rep. St. Onge urged nationwide marketing order for eggs. Rep. Cooley criticized proposed New Castle poultry loans.

SENATE

1. HOUSING. Agreed to the conference report on H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (pp. 21388-90). The bill includes a provision directing the President to undertake studies of the organization of housing and urban development programs within the Federal Government and to provide Congress with the results of such studies together with recommendations regarding the possible transfer of functions and programs to or from the Department.

2. APPROPRIATIONS. Passed without amendment H. J. Res. 639, the appropriations continuing resolution, which Sen. Hayden stated "extends from August 31 to September 30 existing provisions of law, providing funds for the operation of those agencies of Government for which the regular appropriation bills for the fiscal year 1966 have not yet been enacted" (p. 21388). This measure will now be sent to the President.
3. MARKETING ORDERS. Passed without amendment S. 2092, to permit inclusion of provisions for paid advertising in marketing orders applicable to celery, sweet corn, limes, or avocados. p. 21404
4. EDUCATION. The "Daily Digest" states that on Fri., Aug. 27, a subcommittee of the Labor and Public Welfare Committee "approved for full committee consideration with amendments S. 600, proposed Higher Education Act of 1965." p. D857
5. PERSONNEL. The Post Office and Civil Service Committee reported S. 2393, without amendment, to authorize additional GS-16, GS-17, and GS-18 positions for use in agencies or functions created or substantially expanded after June 30, 1965 (S. Rept. 652), and H. R. 8469, with amendments, to provide certain increases in annuities payable from the civil service retirement and disability fund (S. Rept. 653). p. 21377
6. DEFENSE DEPARTMENT APPROPRIATION BILL. Conferees were appointed by both Houses on this bill, H. R. 9221. pp. 21275, 21374
7. WHEAT; FOREIGN TRADE. Sen. Fulbright urged that the U.S. sell wheat to Russia and inserted an article, "Most Canadians Backing Sales of Wheat to Communist Lands." p. 21395
8. DISASTER RELIEF. Sen. Jackson inserted the report of the President on actions taken by the Government to assist in the recovery of Alaska following the earthquake in 1964, including actions of this Department. pp. 21398-8
9. FARM PROGRAM. Sen. Yarborough inserted a letter to the editor by James G. Patton, president of the National Farmers Union, calling "for sound farm bill and rural programs to stabilize our rural areas instead of forcing migration from the farms." p. 21397
Sen. Proxmire inserted a speech by Sen. Kennedy, M. Y., discussing various topics, including reference to the possibility of the U. S. "using all the capacity of its farmers to feed millions of poor people all over the world." pp. 21385-6
10. BALANCE OF PAYMENTS. Sens. Proxmire and Hartke inserted several items reviewing the balance of payments situation, including letters of Secretary of Commerce Connor and Budget Bureau Director Schultze on the matter. pp. 21386-8, 21454-5
11. NOMINATION. Received the nomination of Lawrence F. O'Brien to be Postmaster General (p. 21457). Sen. Mansfield commended the nomination and inserted the transcript of the President's news conference announcing the nomination (pp. 21374-7).
12. FOREIGN AID. Sen. Carlson stated that private enterprise and non-Government resources are important in our foreign aid program and inserted the report of the Advisory Committee on Private Enterprise in Foreign Aid. pp. 21393-4

in the steps the administration plans to take with regard to the implementation of the recommendations of the Budget Bureau's Review Committee on the Balance-of-Payments Statistics—generally identified as the Bernstein Committee. The Bernstein Committee's report was received in April of this year, and since that time we have had a group of officials evaluate the recommendations made by Mr. Bernstein and his colleagues. Our own evaluation efforts were considerably facilitated by the very useful hearings conducted by the Subcommittee on Economic Statistics, under your chairmanship, and on behalf of the administration I wish to express our appreciation for the excellent quality of those hearings.

On the basis of its consideration of the Bernstein Committee report, you and the members of the subcommittee have issued a unanimous report expressing the subcommittee's views with regard to the Bernstein Committee's recommendations. As the attached exchange of correspondence between the Secretary of Commerce and myself indicates, there appears to be complete agreement in the administration with the views held by you and your colleagues. My letter to Secretary Connor indicates the specific recommendations made by our own evaluation group and concurred in by the members of the Cabinet Committee on Balance of Payments. The Secretary's reply to me states his intention to move ahead just as promptly as possible to put these recommendations into effect.

One serious limitation on the Department of Commerce's ability to follow through on a number of the Bernstein Committee's recommendations for improvement of the U.S. balance-of-payments statistics is imposed by the lack of sufficient resources. If we are fully to realize the improvements which the administration seeks, and which you and the other members of the subcommittee so strongly endorse, it is vitally important that the relatively modest sums required be made available to the Department of Commerce. To this end, the President has included in his request for supplemental appropriations, just transmitted to the Congress, a recommendation that \$260,000 be added to the budget of the Office of Business Economics in the Department of Commerce, in order to expand and improve their work on balance-of-payments statistics. I am sure that the recommendations of your subcommittee will call to the attention of the Congress the importance of this matter.

Sincerely yours,

CHARLES L. SCHULTZE,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 26, 1965.

Hon. JOHN T. CONNOR,
Secretary of Commerce,
Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: In the spring of 1963, my predecessor, Kermit Gordon, appointed a distinguished group of outside experts to review the U.S. balance-of-payments statistics. This committee, chaired by Edward Bernstein, delivered its report to the Bureau in April of this year. At that time, Mr. Gordon asked the members of the Executive Committee of the Cabinet Committee on the Balance of Payments, under the chairmanship of Assistant Budget Director Capron, to evaluate the report of the Bernstein committee and to suggest the appropriate implementation of that report.

I have now received the recommendations of this evaluation group and, as you know, these recommendations have been reviewed by the Cabinet Committee on the Balance of Payments, of which you are a member. The

Cabinet Committee has concurred in the unanimous recommendations of the Evaluation Committee. In reporting to me on behalf of the Evaluation Committee, Mr. Capron summarized those recommendations as follows:

1. We recommend that the Department of Commerce, in presenting the official U.S. balance-of-payments statistics in the "Survey of Current Business" begin to publish the deficit (or surplus) on the official settlements concept as recommended by the Bernstein committee. We also recommend continued publication of the deficit (or surplus) on the liquidity concept, along the lines currently employed by the Department of Commerce.

2. We recommend that a basic or summary table set out the balance-of-payments statistics in such a way that both of these deficit/surplus concepts can readily be derived as a sum of a few major components; that the summary or basic table itself be, insofar as possible, neutral and not itself contain any estimate of deficit or surplus. Both of the deficit/surplus concepts should be presented in a separate table clearly related to the summary table, and the text discussion of the developments in balance of payments should present a balanced discussion of the developments in terms of each of the concepts. We furthermore recommend that the format and item designation recommended by the Bernstein committee be used as the basis for modifying current balance-of-payments tables as published by the Department of Commerce.

3. We recommend that the Department of Commerce, in implementing the above recommendations, consult with and obtain the advice from a permanent committee representing departments and agencies most directly concerned and knowledgeable, especially the Treasury Department, the Federal Reserve Board, the Council of Economic Advisers, and the Bureau of the Budget. Other agencies, including especially Defense, State, and AID, should be consulted with regard to matters of their own special concern. This committee should be chaired by the Bureau of the Budget.

4. We would hope for prompt action on our recommendations. Because the levels of the official settlements and liquidity deficits have been unusually close in the first half of 1965, this would be an excellent time to introduce the official settlements concept.

5. Assuming adoption of our recommendations, we feel that the experience under the dual concepts should be formally reviewed and considered by an interagency committee like our own early in calendar 1967.

6. We recommend that every effort be made to complete the evaluation and, where appropriate, to implement the detailed recommendations of the Bernstein Committee for improvement in the U.S. balance-of-payments statistics. It was not part of our assignment to review in detail each of the specific recommendations made by the Bernstein Committee looking toward such improvements; nor have we considered the budgetary implications of these recommendations. However, we are impressed with the vital importance of the balance-of-payments statistics for U.S. policy and would therefore place a very high priority on making available the resources necessary to correct some of the most glaring deficiencies in the present system of collecting basic balance-of-payments data; and in increasing the capacity of the Office of Business Economics to analyze this data. We recognize of course that final decisions in this regard depend on the appropriation actions by the Congress and on an evaluation of the competing demands on the Office of Business Economics and on the other agencies responsible for collecting balance-of-payments data.

I am writing to urge that the Department of Commerce move as quickly as possible to put these proposals into effect. I can assure you that the Bureau of the Budget will do all it can in support of this effort. In particular, the Office of Statistical Standards will continue to work closely with the Office of Business Economics, and we will undertake the prompt organization of a permanent advisory committee as suggested in recommendation 3 above.

Your ability to carry out these recommendations is limited by the resources available to the Office of Business Economics. I am glad to join with you in urging favorable congressional action on the supplemental request for funds just transmitted by the President.

This request for additional resources to improve U.S. balance-of-payments statistics is fully supported by a recent report of the Subcommittee on Economic Statistics, of the Joint Economics Committee, chaired by Senator PROXMIRE. The subcommittee held hearings on the Bernstein Committee report this spring. In its unanimous report it recommends carrying out the Bernstein report recommendations along the same lines as proposed by the administration. Moreover, the subcommittee explicitly calls for increasing the funds to be made available for work on the U.S. balance-of-payments statistics. The subcommittee report concluded: "We urge that Congress provide the relatively modest sums which are necessary. This is too vital an area to be starved by inadequate budgets."

Sincerely,

CHARLES L. SCHULTZE,
Director.

THE SECRETARY OF COMMERCE,
Washington, D.C., August 26, 1965.

Hon. CHARLES L. SCHULTZE,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. SCHULTZE: This will acknowledge your letter transmitting the recommendations of the Executive Committee of the Cabinet Committee on the Balance of Payments for implementation of the report of the Review Committee for Balance of Payments Statistics (Bernstein Committee).

Through Dr. Andrew F. Brimmer, the Department of Commerce's representative on the Executive Committee, we have participated in the interagency review of the Bernstein report, and we agree with the six recommendations of the Evaluation Committee.

The proposal to feature in an impartial way both the official settlements and liquidity definitions of the balance-of-payments surplus or deficit seems sound to us.

The proposals to present data in an impartial way on both the official settlements and liquidity concept, and to improve the tabular presentation seem sound to us. We are anxious to meet promptly with a permanent advisory committee to agree on definitions and work out any other statistical problems, so that we can revise our presentations at the earliest possible date.

We shall proceed with the maximum speed that is consistent with the design of a set of tables that will present a clear and effective picture of balance-of-payments developments. In this connection also we shall have to rely heavily on the advisory committee.

We are eager to proceed with the improvement of the accuracy of our balance-of-payments statistics. As you note in your letter, additional funds are needed for this work. I am gratified to know that you are giving your full support to the request for a supplemental appropriation for the Office of Business Economics' balance-of-payments work that is now going forward to the Congress. This request for more funds is consistent with the recent report of the Subcommittee

on Economic Statistics of the Joint Economic Committee, chaired by Senator PROXMIRE, which recognized the need for expanded financial support for our balance-of-payments program.

Sincerely yours,

JOHN T. CONNOR,
Secretary of Commerce.

Mr. PROXMIRE. Mr. President, I yield the floor.

HOUSE JOINT RESOLUTION 639, MAKING CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1966, AND FOR OTHER PURPOSES

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Senate immediately proceed to the consideration of House Joint Resolution 639, making continuing appropriations for the fiscal year 1966, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the joint resolution, which was read twice by its title.

Mr. HAYDEN. Mr. President, the joint resolution extends from August 31 to September 30 existing provisions of law, providing funds for the operation of those agencies of Government for which the regular appropriation bills for the fiscal year 1966 have not yet been enacted.

All authority under this temporary resolution expires on September 30, 1965.

For the information of the Senate, following is a report on the current status of the various appropriation bills:

The appropriation bills for the Departments of the Interior, Treasury-Post Office, Labor-Health, Education, and Welfare, State-Justice-Commerce, legislative establishment, Independent Offices, and the District of Columbia have cleared Congress and been signed into law or are awaiting the President's signature.

The appropriation bills for the Departments of Defense and Agriculture, Public Works, and Military Construction have passed both Houses and are awaiting action by the committees of conference.

The remaining regular appropriation bill for this session—the foreign aid appropriation bill—is in the House Committee on Appropriations, having been delayed pending the enactment of the authorizing legislation. The Senate Committee on Appropriations has scheduled its hearings on this bill commencing September 8.

The special Labor-Health, Education, and Welfare supplemental appropriation bill, H.R. 10586, has passed the House, and hearings have been completed in the Senate Committee on Appropriations.

There still remains, of course, the final appropriation bill of the session—the supplemental for fiscal year 1966—which has not yet been reported by the House committee pending completion of legislative action on some of the items expected to be funded therein and the receipt of all the budget estimates therefor.

Mr. President, I urge the passage of the joint resolution.

The VICE PRESIDENT. The question is on the third reading and passage of the joint resolution.

There being no objection, the joint resolution (H.J. Res. 639) was ordered to a third reading, was read the third time, and passed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—CONFERENCE REPORT

Mr. RIBICOFF. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Thursday, August 26, 1965, pp. 21134–21135, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RIBICOFF. Mr. President, the Senate, on August 11, passed H.R. 6927 to establish a Department of Housing and Urban Development. The Senate version of that bill had been introduced by 13 other Senators and myself. We introduced a bill as proposed by the administration. The Subcommittee on Executive Reorganization of the Senate Committee on Government Operations held extensive hearings and reported the bill with various amendments designed to better define the purpose and direction of the new department. On the floor we accepted amendments proposed by the Senator from Alabama [Mr. SPARKMAN], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Iowa [Mr. MILLER].

The Senate bill contained 10 amendments to the bill as originally passed by the House. I am pleased to report that House conferees accepted the Senate changes in 6 of these 10 matters exactly as we took them to conference. In four cases, a compromise was reached, but I think that in every case the managers on the part of the Senate achieved the objectives of the Senate in the compromise that was agreed to. I am pleased that this conference report represents just about as complete an accomplishment of the Senate's purposes as could have been hoped for.

Let me now, for the information of the Senate, briefly review the matters we took to conference, and the disposition of them in this conference report:

The Senate added language in section 2 of the bill highlights mass transportation as a major problem area, along with housing and urban development. That was an amendment originally suggested by the Senator from New York [Mr. KENNEDY]. The House conferees accepted the Senate language.

Also in section 2, the Senate added language stressing the importance of

encouraging the maximum contribution that may be made by the private home-building and mortgage lending industries to housing, urban development, and the national economy. That was an amendment originally proposed by the Senator from Oklahoma [Mr. HARRIS]. The House conferees accepted the Senate language. The Senator from Oklahoma proposed another amendment, which the Senate adopted, in section 3 of the bill, which also sought to stress the role of private enterprise in meeting housing and urban development needs. The House conferees also accepted the Senate language in this connection.

The Senate bill added in section 3(b) a responsibility of the Secretary, as follows:

The Secretary shall, among his responsibilities, * * * consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to community and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of community and metropolitan development programs and projects.

This was an amendment originally proposed by the Senator from New Mexico [Mr. MONTOLU].

The House in substance agreed to the Senate language, although there was a change in the wording which I shall describe in a moment, in connection with the next amendment of the Senate.

The Senate bill, in section 3(b), contained new language proposed by the distinguished Senator from Massachusetts [Mr. SALTONSTALL]. In the Senate version, the language read as follows:

The Secretary shall, among his responsibilities * * * upon the request of the Governor of any State, within 60 days of such request, hold an informal public hearing in any community of such State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be, or is being, carried out in such community.

The House conferees objected strenuously to this provision. They argued that it allowed the Secretary no discretion as to when or where or about what hearings would be held. They also argued that it was duplicative of the amendment on the same general subject which I just discussed—that is, the language proposed by the Senator from New Mexico. However, the Senate conferees were determined to achieve what the Senator from Massachusetts had in mind: the addition of language in the bill to recognize the very great interest and responsibility of the State Governors in the programs of the Department, and to give them a voice in connection with the administration of these programs in their States and communities. We had a great deal of discussion, and finally a compromise was worked out. The language originally proposed by the Senator from New Mexico relating to consultation and cooperation with State governments with respect to State programs was rewritten to read as follows:

The Secretary shall * * * consult and cooperate with State Governors and State agencies, including, when appropriate, holding

informal public hearings, with respect to Federal and State programs * * *, and so on.

So I think that we have met the objections of the House and still have accomplished everything that the Senator from Massachusetts had in mind. Provision is made for informal public hearings, and I have no doubt that any Secretary will be responsive to requests for such hearings so long as they are reasonable with respect to subject matter, time and place. The Secretary is directed to consult with State Governors as well as agencies, and the language concerning consultation and cooperation is broadened to cover Federal as well as State programs for community and metropolitan development. So that while we had to compromise, I think we did not concede anything in principle from the position of the Senate, and I think we developed language which actually improves the bill.

Senators will recall that, on an amendment offered by the very distinguished Senator from Alabama, the chairman of the Housing Subcommittee of the Committee on Banking and Currency [Mr. SPARKMAN], for himself and Senator McCLELLAN, Senator MUNDT, and Senator TOWER, the Senator added the following language to the bill:

There shall be in the Department of Federal Housing Administration headed by a Federal Housing Commissioner, who shall be appointed by the President, by and with the advice and consent of the Senate. The Federal Housing Commissioner shall have such duties and powers as may be prescribed by the Secretary.

The House conferees objected to this provision. Among other things, they objected to adding to the bill an additional high level position with Presidential appointment. They argued that it would blur lines of authority.

The Senate conferees, on the other hand, were adamant in support of the Senate position, that the continuation of the Federal Housing Administration by that name in the Department, and at an appropriately high level, ought to be provided for in the law and not left to an executive branch promise. I do not mean to imply, of course, that anyone questioned the good faith of the commitment made by the Budget Director on behalf of the executive branch, or doubted that it would be faithfully carried out. No such question was involved at all. It was our position that such an important matter ought to be provided for in the bill.

I will not take the time of the Senate to try to recite all the arguments on both sides. We had a great deal of difficulty with this item. In fact, we spent a good part of the afternoon on it. Finally the managers on the part of the House were induced to agree to a compromise version.

The compromise strikes out both the original committee amendment, which provided for an Assistant Secretary to be designated to administer programs relating to the private mortgage market, and the amendment added on the Senate floor which I have just read, and would substitute for both the following:

There shall be in the Department a Federal Housing Commissioner, who shall be one of the Assistant Secretaries, who shall head a

Federal Housing Administration within the Department, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

So I think we have accomplished everything the Senator from Alabama and his cosponsors advocated. The continuation of the Federal Housing Administration by that name in the Department is specifically provided for. The title of "Federal Housing Commissioner" is preserved. The top policy voice in the Department—under the Secretary—with respect to the policies and programs of mortgage insurance is to be an Assistant Secretary, appointed by the President with the advice and consent of the Senate. And thus I believe that the position of the Senate has been fully maintained in the compromise that was reached.

The Senate bill added a new subsection 4(c) proposed by the senior Senator from New York [Mr. JAVITS]. It provided for the establishment in the Department of an Office of Urban Program Coordination, headed by a Director appointed by the Secretary. The Office would assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies which have a major impact on community development.

The Director would make studies of urban problems at the request of the Secretary, and would develop recommendations relating to the administration of Federal programs affecting these problems, particularly with respect to achieving effective cooperation among Federal, State, and local agencies.

The Director would also be expected to establish and maintain close liaison with the Federal departments and agencies concerned, and to consult with State, local and regional officials and consider their recommendations.

That was the Senate amendment. The House objected to setting up an Office of Urban Program Coordination. They argued that it was one thing to prescribe these functions, and another to establish by law an organization unit within the Department to carry them out.

The Senate conferees felt that the real thrust of the amendment was not so much the setting up of an Office as such, as it was the identification of the functions themselves; specific recognition of their importance; and provision for a person to whom the Secretary could make assignments in this area and whom he could hold responsible for carrying those assignments out.

So a compromise was reached. The specific language requiring that there be an Office of Urban Program Coordination was eliminated, but the position of Director was retained. The functions and duties were left unchanged. We feel that we have accomplished what the senior Senator from New York intended, and that the compromise does not weaken his amendment as the Senate originally agreed to it.

The Senate bill contained language, proposed by the junior Senator from

New York [Mr. KENNEDY], providing that:

The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department.

The House accepted the language proposed by the Senate.

The Senate adopted an amendment proposed by the Senator from Washington [Mr. JACKSON] which added the following language to section 5(c) that:

Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute.

The House accepted the language proposed by the Senate.

Finally Mr. President, the Senate adopted various amendments offered en bloc by the Senator from Iowa [Mr. MILLER] which, at various points in the bill, added "community" or "and community" to the text, or substituted the word "community" for the word "urban." The House agreed to each of these changes.

Mr. President, the establishment of this new Department of Housing and Urban Development is in keeping with the growth of our Nation from a predominantly rural, agricultural country to the great world power we are today. We are big, and we are growing. Amazingly, 90 percent of the growth is taking place in our cities and their urban environs. The establishment of this new Department recognizes this and creates an agency of Government at the very highest level to deal with it.

The work of many has gone into the making of this new Department. The members of our subcommittee—of both parties—have been cooperative and contributed greatly to improving the bill.

Representatives of the executive branch were extremely helpful in developing this legislation, and while many deserve praise, one individual—Mr. Hilbert Fefferman—deserves special mention for his outstanding contributions in working with us on this bill.

Mr. President, America is coming of age. It is beset with problems but the opportunities for a better and richer life for all are boundless. The bulk of her people live now in cities and urban complexes. Their problems and opportunities will now be represented at the Cabinet table.

I am pleased that the Vice President is presiding over the Senate at this time, when a motion for the adoption of the conference report is about to be made. No one in the Nation has worked harder for the creation of this new Department than he. No person in this Nation is more aware of the great problems of urban America—how they exist today

and how they will multiply in the future—than he.

Since the President has designated the present incumbent of the Chair to be his liaison and to work with the mayors of America in helping to solve the problems of our cities, it is most fitting that the distinguished Vice President occupies the Chair today.

Mr. President, I move the adoption of the conference report.

The VICE PRESIDENT. The Chair thanks the Senator from Connecticut for his gracious remarks.

The question is on agreeing to the conference report.

The report was agreed to.

Mr. JAVITS subsequently said: Mr. President, the conference report on the bill to create a new Federal Department of Housing and Urban Development, approved by the Senate today, represents an important revision, and in my judgment a stronger measure than the one introduced with administration support last March.

I am most gratified that the Department, which I have supported since its beginning in the 86th Congress, is now almost a reality. Creation of this new urban development executive department represents the dawn of a new era in recognition of and in providing hope for the solution of the serious and complex problems of this Nation's metropolitan man. The Department will provide important new organizational machinery to deal with the critical problems of metropolitan communities. The Senator from Connecticut [Mr. RIBICOFF] and the members of the committee did a most outstanding job in working on this bill.

The need for coordinating all Federal programs which have an impact on urban development has been provided for in the bill by the creation of staff responsibilities in the Department to coordinate such programs. I believe this coordinating function in the Department is vitally important. A second amendment which I suggested was the establishment of an Urban Interagency Advisory Council composed of certain Cabinet Secretaries and heads of independent Federal agencies concerned with community development programs to advise the Secretary of the new Department with respect to developing and improving existing development programs and considering new ones. It was suggested that such a body could be created with greater flexibility by means of an Executive order. Accordingly, I very much hope that such an Interagency Advisory Council will soon be established to ensure maximum effectiveness of the new Department.

The bill contains a number of effective proposals by the members of the committee and is very much a bipartisan product. The minority was particularly interested in defining the important role of the States in working with the new Federal Department, including provision for informal public hearings on controversial projects administered by the Department; the strengthening of the departmental machinery for coordination of the some 60 Federal programs

having an impact on urban communities operated both within and outside the Department and emphasis upon a strong and vital role for the Federal Housing Administration within the Department. I believe constructive solutions were reached on points and both the Senate and House conferees are to be commended for their determination to forge meaningful new authority for the Cabinet Secretary. This is a landmark piece of legislation and we look forward to its implementation with hope and interest.

CONGRESS SHOULD RECESS SOON BUT NOT ADJOURN

Mr. YOUNG of Ohio. Mr. President, Congress should recess within the coming 2 or 3 weeks. The last Congress was in session for 22 of 24 months. The 89th Congress has been in continuous session since the first of the year. Very definitely this Congress should not adjourn sine die while the bitter struggle is raging in Vietnam. While it is true we have had a most productive session, my view is that Congress should recess by joint resolution, subject to the call of the majority leader of the Senate or the majority leader of the House of Representatives. Of course, the President has the power to call the Congress in session at any time.

We are living in a grim period of international anarchy. We are presently engaged in a bitter conflict in South Vietnam. American GI's are being killed every day. It appears to the junior Senator from Ohio that it would be far better for Congress to recess by a joint resolution than to adjourn sine die.

The people of the United States, regardless of party or partisanship, have confidence in and admiration for the distinguished Senator from Montana, MIKE MANSFIELD, the majority leader of the Senate. Many of the GI's overseas would, I know, feel better were Congress to recess subject to the call of the majority leaders of the Senate and House of Representatives. I would add to that, subject to the request of the minority leader of the Senate if he made such request of the majority leader.

If Congress were to recess it would appear much better to the people of our country. It would appear better to the people of the world because of the conflict in which we are engaged. It would also afford Senators an opportunity to spend the few remaining months of this year back home, meeting with the citizens we try hard to represent.

In addition, it is highly advisable that Senators should, whenever possible while the Senate is not in session, and while they are not visiting their constituents and receiving the benefits of their views and advice, visit overseas in Europe, in the Far East, or in Africa.

It is important that Members of Congress visit firsthand with the nationals of various other countries. We can learn much more and be better able to form opinions and judgments than by simply reading in printed form the testimony given at committee hearings or listening

to views expressed by others who tell us of their visits and observations.

In this rapid moving space age of change and challenge no Member of the Congress should isolate himself from knowledge of world affairs. More than a million members of our Armed Forces, and their dependents are stationed in other continents. Senators should obtain as much firsthand knowledge as is possible. Official business trips do cost the taxpayers some money, but they are well repaid many times over for that cost in information of great value obtained by Representatives and Senators, particularly those who are serving on the Appropriations, Armed Services, and Foreign Relations Committees.

VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENT OF BELGIUM

Mr. TALMADGE. Mr. President, the Senate is singularly honored today by having as its guests three distinguished Members of a longtime friendly ally of the United States. I refer to the distinguished delegation from the Government of Belgium that is now visiting in Washington en route to the International Parliamentary Union Conference to be held in Ottawa, Canada, beginning September 7.

I am honored to present to the Senate, Senator Carlos de Baeck, Mr. Raoul Hicguet, and Mr. Marcel Galerne.

[Applause, Senators rising.]

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I am delighted to yield to the distinguished majority leader of the Senate.

Mr. MANSFIELD. I join the distinguished Senator from Georgia [Mr. TALMADGE] in extending greetings to our fellow parliamentarians from Belgium. We are delighted that you are visiting in our country. We hope you will become accustomed to our ways as you travel among us.

We believe you are in good company when you have so excellent a chaperon as Senator Talmadge.

The honor of your visit is ours because of your presence in the Chamber.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TALMADGE. Mr. President, I am delighted to yield to the distinguished Senator from Arkansas, the chairman of the Committee on Foreign Relations.

Mr. FULBRIGHT. I join my colleagues in paying tribute to the representatives of Belgium, one of our oldest and friendliest allies anywhere in the world.

We are very proud of the relations that we have had with Belgium over the years and hope that those relations will continue indefinitely into the future.

The VICE PRESIDENT. The Chair joins in greeting the distinguished parliamentarians from Belgium.

On behalf of the Senate and the country, I express a hearty and warm welcome to our distinguished visitors and hope that they will spend a little time with us in Washington and in the United States.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
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HIGHLIGHTS: House agreed to conference report on bill to establish Dept. of Housing and Urban Development. Rep. Langen criticized activities of sugar lobbyists. Sen. Metcalf expressed concern over farm income level in Mont.

SENATE

1. CLAIMS. The Judiciary Committee reported without amendment H. R. 5024, to provide for settlement of claims by Government personnel for damage to or loss of personal property incident to their service (S. Rept. 655). p. 21474
2. TRADE FAIRS. The Foreign Relations Committee voted to report (but did not actually report) S. 2167, to provide for U. S. participation in the HemisFair 1968 exposition to be held in San Antonio, Tex. p. D863
3. EDUCATION. The Labor and Public Welfare Committee voted to report (but did not actually report) H. R. 9567, the proposed Higher Education Act of 1965. The "Daily Digest" states that the Committee "amended the bill by substituting therefor the text of an amended version of S. 600, companion bill." p. I864

4. RECREATION. Received a Mich. Legislature resolution urging establishment of the Sleeping Bear Dunes National Recreation Area, Mich. p. 21474
5. INTERGOVERNMENTAL RELATIONS. Received a resolution of the National Legislative Conference favoring S. 561, the proposed Intergovernmental Cooperation Act of 1965. p. 21474
6. FARM PROGRAM. Sen. Carlson submitted an amendment to the farm bill which would "permit a man and wife who owned and operated land individually previous to their marriage to operate the previously owned land independently after marriage under the farm program." pp. 21476-7
7. FARM INCOME. Sen. Metcalf inserted a summary of the farm income and expenses of 99 Mont. farm operators which he called "disturbing" but noted that "had it not been for co-op refunds and agricultural program payments, most of the farmers would have been much worse off." p. 21513
8. VETERANS' AFFAIRS. Sen. Randolph commended and inserted the testimony of Sen. Yarborough in support of the cold war GI bill. pp. 21511-12
9. WATER RESOURCES. Sen. Kuchel commended and inserted the testimony of Calif.'s Attorney General Lynch and others in support of legislation to authorize the Lower Colorado River Basin Project. pp. 21531-39

HOUSE

10. HOUSING. Agreed to the conference report on H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (pp. 21545-7). This bill will now be sent to the President. The bill includes a provision directing the President to undertake studies of the organization of housing and urban development programs within the Federal Government and to provide Congress with the results of such studies together with recommendations regarding the possible transfer of functions and programs to or from the Department.
11. FORESTRY. The Agriculture Committee reported H. R. 10330, with amendment, to provide for the establishment of the Spruce Knob-Seneca Rocks National Recreation Area, W. Va. (H. Rept. 909), and H. R. 10366, without amendment, to provide for the establishment of the Mount Rogers National Recreation Area in the Jefferson National Forest, Va. (H. Rept. 910). p. 21626
12. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4851, to make various amendments to the Small Reclamation Projects Act of 1956 (H. Rept. 894). p. 21626
13. AIR POLLUTION. The Interstate and Foreign Commerce Committee reported with amendment S. 306, to amend the Clean Air Act to require standards for controlling the emission of pollutants from motor vehicles and to establish a Federal Air Pollution Control Laboratory (H. Rept. 899). p. 21626
14. PERSONNEL; ORGANIZATION. The Judiciary Committee reported without amendment H. R. 10104, to enact title 5, U. S. Code, "Government Organization and Employees", codifying the general and permanent laws relating to the organization of the Federal Government and to its civilian employees (H. Rept. 901). p. 21626

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 30, 1965.

The Honorable THE SPEAKER,
House of Representatives.

SIR: From the Honorable THOMAS G. ABERNETHY, Member of Congress from the First District of Mississippi, the Honorable JAMIE L. WHITTEN, Member of Congress from the Second District of Mississippi, the Honorable PRENTISS WALKER, Member of Congress from the Fourth District of Mississippi, and WILLIAM M. COLMER, Member of Congress from the Fifth District of Mississippi, the Clerk has received a motion that the attempted contest against each individually, be dismissed, or that each be otherwise relieved from taking further notice of such matter.

The communication in this matter is being transmitted for referral to the appropriate committee of the House of Representatives.

Respectfully yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. HOLIFIELD. Mr. Speaker, I call up the conference report on the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 26, 1965.)

Mr. HOLIFIELD. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as Members of the House will recall, this bill in essence creates a new executive Department of Housing and Urban Development. It transfers to the Department the presently existing functions of the Housing and Home Finance Agency and gives the Secretary additional duties in the area of urban development. We are making a start at doing for the cities what the Department of Agriculture has done so long and so well for our farmers.

First of all I want to commend my fellow conferees of both Houses on the positive spirit in which the discussions were conducted. We sought diligently to uphold and make prevail the positions of our respective bodies but we also endeavored to reach reasonable compromises always keeping in mind the objectives of the bill.

I especially wish to commend my colleagues: Chairman DAWSON, Mr. FASCELL, the author of the bill; Mr. REUSS, Mr. ROSENTHAL, Mr. ERLNBORN, and Mr. WYDLER.

The Senate made a number of additions to the House bill, many of which had no substantial effect on the purposes of the legislation. There were three major changes by the Senate with which we disagreed.

The first involved the Federal Housing Administration. During debate in the House, the gentleman from Illinois

[Mr. ERLNBORN] offered an amendment that the House rejected which would have transferred the FHA as an entity to the new Department with statutory powers of its own. This was not in accord with the recommendations of the Hoover Commission or with modern concepts of governmental administration which favor full authority and responsibility in the head of the Department. To reassure those who were concerned about the future of FHA, a committee amendment was adopted, assigning to one of the Assistant Secretaries supervision of departmental programs relating to the private mortgage market. This included FHA and FNMA. The Senate, however, added on to the bill a provision that would have had an effect somewhat like that of the Erlernborn amendment. The FHA was set up in the new Department with a Commissioner to be appointed by the President and confirmed by the Senate. His duties, however, would be prescribed by the Secretary. The compromise was as follows:

There shall be in the Department a Federal Housing Commissioner, who shall be one of the Assistant Secretaries, who shall head a Federal Housing Administration within the Department, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

The principal differences between the conference language and that adopted by the House and Senate are that the FHA will be retained within the new Department; its functions, however, will be vested in the Secretary; it will be headed by a Commissioner who will also be an Assistant Secretary; the Assistant Secretary-Commissioner will have such powers and duties as the Secretary may prescribe; and will administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

We believe that in this compromise the essential principles of good administration have been preserved. The powers and functions are in the Secretary who may delegate them as his responsible judgment may dictate. The possibility of conflict or obstruction has been reduced to a minimum.

The second major difference involved a responsibility the Senate imposed upon the new Secretary to hold an informal public hearing, within 60 days of a request by a Governor for such a hearing, in any community of a State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be or is being carried out in such community. Our major concern was the mandatory requirement for the public hearing whenever a Governor requested it. We saw all sorts of possibilities for delay in carrying out programs already planned and approved by the Federal, State, and local agencies involved. Our compromise directed the Secretary to consult and cooperate with State Governors but public hearings would be held only when he deemed them appropriate.

The third major difference involved a Senate provision creating an Office of Program Coordination within the new Department to assist the Secretary in carrying out his responsibilities to assist the President in achieving maximum coordination of the programs of the various departments and agencies which have a major impact on community development. We felt the creation of such a statutory office within the Department would not accord with sound administration. We achieved a compromise which set up a position called Director of Urban Program Coordination who would be designated by the Secretary.

We urge the House to accept the report of the conferees so that the great promise of this legislation can be realized.

Mr. Speaker, I move the previous question.

(Mr. ERLNBORN asked and was given permission to revise and extend his remarks.)

Mr. ERLNBORN. Mr. Speaker, I thank the gentleman for yielding.

This morning, prior to a meeting of the Committee on Government Operations, I was discussing with the gentleman from Georgia [Mr. CALLAWAY] the conference committee action on this bill. I explained to the gentleman how the substance of the Senate amendments, which I believed made a better bill out of this bad bill, had been retained by action of the conference committee.

Subsequently, during the meeting of the Committee on Government Operations, the gentleman from California [Mr. HOLIFIELD] announced to the members of the committee that this conference committee report would be brought up on the floor today and explained that the position of the House had been sustained and that we had won a victory in the conference committee.

After the meeting the gentleman from Georgia [Mr. CALLAWAY] took me aside and asked me if I had attended a different meeting from the meeting the gentleman from California [Mr. HOLIFIELD] had attended. I assured the gentleman from Georgia that we had attended the same conference committee.

Mr. Speaker, there were many amendments adopted in the Senate. As the gentleman from California pointed out, some of these were noncontroversial and were accepted without debate on the part of the House conferees.

One of those amendments was the insertion of the word "community" in lieu of the word "urban" throughout the body of the bill. I believe this is in line with one of the amendments which was offered and rejected in the House, to broaden the scope or function of this Department outside of strictly urban areas, or large concentrations of population, and to give consideration to the suburban and rural areas, to the smaller communities throughout the country.

Second, an amendment was adopted in the other body to provide that the new Department should encourage vigorous private home building and mortgage-lending industries. This amendment was also agreed to by the conferees.

Many who opposed the bill were fearful—and still are—that the new Depart-

ment of Housing and Urban or Community Development would bypass the State and county agencies and go directly to local communities, ignoring the real function of the States in the solution of the problems in the urban areas.

Some lipservice has been given—as a result of one of the amendments adopted in the other body and agreed to by the conferees—to this problem, in that one of the functions and duties of the Secretary is to consult and cooperate with State governments with respect to State programs for assisting communities. As I say, this was agreed to by the conferees.

Along the same line was a provision that the Director of the new Department consult and cooperate with State Governors and State agencies, including, when appropriate, the holding of informal public hearings. This, I believe, was not as strong as the provision the other body would have liked to have had in the bill, but at least it gives consideration to the fact that the Governors of the various States and State agencies do have a role to play in the solution of the problems of our urban communities.

For my own part, the most important amendment which was offered in the House and in substance adopted in the other body—and I believe also in substance approved by the conference committee report—is the one which recognizes the somewhat autonomous nature of the Federal Housing Administration, the independence of the Federal Housing Administration.

I am pleased with the provision in the conference report that the Federal Housing Administration shall be considered to some extent a separate agency within the new Department, and that there shall be a Federal Housing Commissioner to head the Federal Housing Administration within the Department.

On the whole, the action of the conferees, I believe, admitted the shortcomings of the bill as it passed the House. I believe that the action of the conferees makes a better bill of this bill to create the new Department.

For my own part I still think the approach of creating an office within the Executive Office of the President to deal with these problems is a better approach. However, being a realist, I know that this bill was thoroughly debated on the floor of the House before and was adopted on a rollcall vote. I know that this new Department will be created in this session by the adoption of this bill. Being a realist and knowing that this will happen, I am happy that these improvements have been made in the legislation and therefore I am happy to support the action of the conference committee.

Mr. HOLIFIELD. Mr. Speaker, I thank the gentleman from Illinois for his remarks. He was very strong on one principle, that of naming the Federal Housing Administration within this Department. As I said in my remarks and as he has said, we have retained that name for whatever publicity value and for whatever goodwill value with respect to the housing industry that it may have. The housing industry was very strong on retaining the name FHA. That has been done. I agree with the gentleman

that this is more acceptable to me than if it were not in the bill.

Mr. Speaker, I now wish to yield to the author of the bill, the gentleman from Florida [Mr. FASCELL], such time as he may consume. However, before I do yield to him I want to say that I just want to congratulate him for taking the initiative in carrying the burden for this bill through the hearings and granting every witness who wanted to come before him the right to testify. I believe that he has achieved a very important legislative result in the creation of a new Cabinet department. I do not share the fear that this Cabinet-level department may be something we do not need. The shift of population from the agricultural areas of our country to urban centers has been tremendous in the last few years, and it will undoubtedly continue. We are soon to have between 75 and 80 percent of our people in these great urban areas, community areas, and densely populated areas. They will have all of the problems that we are so familiar with. Certainly the recognition of the importance of 75 to 80 percent of our population, by giving them a Cabinet-status department and a representation close to the ear of the President and a prestige before the Congress, is something that I think none of us will regret.

Mr. Speaker, I now yield to the gentleman from Florida [Mr. FASCELL], the author of this legislation.

(Mr. FASCELL asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I thank the distinguished gentleman from California for the remarks he has made concerning this legislation. I must say that in the 10 years I have been here the gentleman from California has been one of the most outspoken advocates of dealing with the problem of our urban communities and has given great leadership to legislation in this area. I want to express my appreciation also to the gentleman from Wisconsin [Mr. REUSS] who is a sponsor of this legislation. He has long been in the forefront of dealing with the problems of our urban communities. I thank him for his cooperation and commend him for his outstanding leadership in this body on this very important matter.

I want to make some remarks with respect to the very fine compromise the House conferees achieved on the rather difficult question that appeared at first with respect to the problem of the FHA. Yet in conference this problem was resolved in a manner which was extremely satisfactory to both bodies. The compromise retains the good will, as the gentleman from California has said, of the FHA and we have provided for the designation of a FHA Commissioner. Yet, the conference agreement does not do violence to, and is in complete consonance with, the principles laid down in the Hoover Commission report with regard to what is good administration, good management, and good organization. These principles are simply that all of the powers, the duties, the functions, and the responsibilities should rest in the head of the Department.

That cardinal principle is preserved in this report, because while we preserve the name of the FHA and provide for the designation of a Federal Housing Commissioner, the bill specifically provides that all of the responsibilities, duties, functions, and powers should rest in the Secretary of the Department. Therefore, it is in complete consonance with the recommendations of the Hoover Commission recommendations. So, on all points, Mr. Speaker, I think the conference committee has done an admirable job and I certainly thank my colleagues who participated on the majority and minority sides for bringing back this very fine conference report.

Mr. HOLIFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. REUSS].

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, I hope that the conference report will be adopted, and the bill to establish a Department of Housing and Urban Development thus sent to the President.

The effort to give our cities recognition at the Cabinet level has had its strong sponsors in this House. In the headquarters of the Federal Reserve on Constitution Avenue in Washington, the name of Carter Glass, of Virginia, is memorialized as one whose congressional backing had made that structure possible. When, at some future time, the new Department of Housing and Urban Development occupies its own headquarters, nothing could be more fitting than that the names of WILLIAM L. DAWSON, of Illinois, CHET HOLIFIELD, of California, and DANTE B. FASCELL, of Florida, likewise receive recognition for their devoted services in behalf of our cities.

As a result of the conference, I believe that the bill before us is a better one than it was when it first passed the House. Particularly, I am happy that the House accepted Senate language declaring it as one of the purposes of the bill "to encourage the solution of problems of mass transportation."

Today our Federal Government is committed to substantial research efforts to develop new methods of transportation to the moon by rocket, to other continents by supersonic planes, and to other cities by revolutionary rail systems. But in the area where new transportation systems are needed most—how to get from one part of a metropolitan area to another rapidly, safely, economically, and without polluting the atmosphere—we are undertaking no noticeable research effort whatever.

Last June 17 I introduced H.R. 9200, to set up a 2-year \$20 million, federally supported research program to achieve a breakthrough in new methods of urban transport. Twenty-one other Members have joined me in introducing identical legislation—the gentleman from Ohio [Mr. ASHLEY], the gentleman from Texas [Mr. CABELL], the gentleman from New York [Mr. FARBERSTEIN], the gentleman from Minnesota [Mr. FRASER], the gentleman from Ohio [Mr. GILLIGAN], the gentlewoman from Michigan [Mrs. GRIFFITHS], the gentleman from New

York [Mr. HALPERN], the gentleman from New Jersey [Mr. JOELSON], the gentleman from Maryland [Mr. LONG], the gentleman from New York [Mr. MCCARTHY], the gentleman from New Jersey [Mr. MINISH], the gentleman from Pennsylvania [Mr. MOORHEAD], the gentleman from New York [Mr. MULTER], the gentleman from Illinois [Mr. RONAN], the gentleman from California [Mr. ROOSEVELT], the gentleman from New York [Mr. ROSENTHAL], the gentleman from Wisconsin [Mr. STALBAUM], the gentlewoman from Missouri [Mrs. SULLIVAN], the gentleman from Ohio [Mr. VANIK], the gentleman from Georgia [Mr. WELTNER], and the gentleman from Illinois [Mr. YATES].

I hope that the new Department of Housing and Urban Development will endorse this legislation, so that man on earth is not lost sight of in our attempt to put a man on the moon.

Mr. HOLIFIELD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MILITARY CONSTRUCTION FOR DEPARTMENT OF DEFENSE FOR FISCAL YEAR 1966

Mr. SIKES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10323) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Florida?

The Chair hears none, and, without objection, appoints the following conferees: Messrs. SIKES, McFALL, PATTEN, LONG of Maryland, MAHON, CEDERBERG, JONAS, and Bow.

There was no objection.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules and on behalf of the gentleman from Texas [Mr. YOUNG], a member of that committee, I call up House Resolution 551 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 551

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes. After general debate, which shall be confined to the

bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may consume.

AMENDMENT OFFERED BY MR. DELANEY

Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELANEY: On page 1, line 8, strike out the period, insert a comma, and add the following: "and all points of order against said bill are hereby waived."

The amendment was agreed to.

Mr. DELANEY. Mr. Speaker, House Resolution 551 provides a closed rule, waiving points of order, with 3 hours of general debate for consideration of H.R. 9042, a bill to provide for the implementation of the Agreement Concerning Automotive Products between the Government of the United States of America and the Government of Canada, and for other purposes.

The occasion for H.R. 9042 arises from the signing on January 16, 1965, by the President of the United States and the Prime Minister of Canada of an Agreement Concerning Automotive Products between the United States and Canada.

The principal purposes of the bill are to authorize the President to implement the Agreement Concerning Automotive Products between the United States and Canada; to authorize the implementation of similar agreements that the President may enter into with countries other than Canada; to authorize the implementation of agreements supplementary to the foregoing agreements; and to provide interim special procedures for adjustment assistance to firms and workers suffering dislocation resulting from the operation of the agreement signed on January 16 of this year.

Mr. Speaker, the chairman of the Committee on Ways and Means will explain the provisions of the bill more fully, and I urge that House Resolution 551 be adopted in order that the bill may be considered.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, House Resolution 551 will provide 3 hours of general debate in the

consideration of the bill H.R. 9042, the Automotive Products Trade Act of 1965. It is a closed rule. It is an amendment to the Tariff Act, and unless the rule is a closed one it would open up the entire Tariff Act.

Points of order have been waived. Because of the Ramseyer rule it would be necessary to print the entire Tariff Act to set forth a few changes. That was the agreement in the Rules Committee. House Resolution 551 did not provide for waiving of points of order, so an amendment has been offered to that effect.

Mr. Speaker, there are some additional views in connection with this particular bill. The purpose of the bill is to authorize the President to implement the Automotive Production Agreement and others supplemental to it, signed on January 16, 1965, between the United States and Canada; to authorize similar future agreements with other nations, and to provide adjustment assistance to firms and workers suffering dislocation from such agreements.

Under the agreement duty-free treatment is afforded automotive parts and autos across the United States-Canadian border. Parts must be original equipment. The agreement is inconsistent with our obligations under GATT, but the committee majority sees this as more form than substance. They point to the common ownership of plants in both countries, and the fact that it will not affect prices and so harm no other importing countries.

Section 201 authorizes the President to proclaim the modifications of the tariff schedules and such further changes as are necessary—new types of original equipment parts.

Section 202 authorizes similar agreements with other nations. Prior to beginning negotiations the President must first, seek the advice of the Tariff Commission as to probable economic effects; second, give reasonable public notice; and third, seek information from the Departments of Commerce, Labor, State, and the Treasury. If within 60 days following delivery to Congress both Houses by concurrent resolution have not indicated disapproval, the President may carry out the agreement.

In the minority or separate additional views, Mr. Speaker, signed by eight Members, they oppose the special treatment afforded one industry. They also object to a special adjustment program for one industry when the Trade Expansion Act is now operating. They feel such special assistance should be carried out not by the taxpayers but by the industry which is the beneficiary of the agreement.

This morning I received a letter signed by five Members expressing opposition. They will be heard later on. This arrangement can extend to other NATO countries.

I know of no objection to the rule; in fact, those who oppose are opposed to certain portions of the bill, and are not objecting to the rule itself because a situation, Mr. Speaker, has arisen where something has to be done. In other words, duties have not been paid since

January 16, 1965. They are accumulating, and unless we vote the bill up or down we cannot dispose of the problem which affects manufacturers at this time.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Illinois [Mr. McCLORY].

Mr. McCLORY. Mr. Speaker, in discussing H.R. 9042 which purports to facilitate trade between the United States and Canada, let me emphasize, first of all, my personal and individual interest in promoting the closest possible relationship between our two countries. I married a Canadian, and many members of our family are Canadians today. Indeed, I am hopeful that all actions taken by the United States Congress and the Canadian Parliament will improve the unity and solidarity between our two nations socially, economically, culturally, and I hope politically and governmental unity as well. However, it is my position that the treaty which H.R. 9042 proposes to authenticate will not have these effects.

First of all, we should recall that in 1963, through adoption of the remission of the duty order, the Canadian Government undertook, in effect, to provide a subsidy for exports of automotive parts. The manner in which the subsidy operated was this: Automotive parts imported into Canada from the United States were paid at the regular rates, which included rates up to 25 percent.

Canadian manufactured automotive parts continued to be subject to U.S. tariffs. However, to the extent that exports of Canadian automotive parts by a Canadian manufacturer exceeded exports of prior years, the Canadian Government granted remission of duty or a credit on the parts imported from the United States. While this may sound like a great deal of bookkeeping and did not, in fact, involve payment of a cash subsidy, it represented, nevertheless, an identifiable and actual item to the extent of 25 percent of the price of the additional Canadian made automotive parts.

This subject was brought to the attention of our State Department as well as the Treasury Department without any corrective action. Subsequently, a petition was filed with the Tariff Commission in behalf of the Automotive Service Industry Association of Chicago seeking under section 303 of the Tariff Act of 1930 to impose countervailing duties on those Canadian made parts which benefited from the remission of duty order.

I believe other petitions were also filed on behalf of American concerns seeking the same relief. Indeed, the provisions of section 303 appeared to be clearly applicable by requiring that there "shall be levied and paid" an additional duty equal to the net amount of "any bounty or grant" upon the "manufacture or production for export" of any article manufactured or produced in another country when such article is imported into the United States.

The petition before the Tariff Commission was never decided and, except for the damage incurred by various American parts manufacturers, the

treaty which H.R. 9042 proposes to validate, will render the controversy moot.

I question that anyone would contend that the Canadian remission of duty order could possibly promote the cordial relations between the United States and Canada. Obviously if the United States provided a subsidy equal to the amount of a Canadian tariff on articles exported to Canada, the Canadian Government would be completely justified in criticizing any such action and would undoubtedly take steps to impose an additional duty equal to the amount of any such American subsidy.

Now that is the story of the remission of duty episode which has now been abandoned and is being replaced by the so-called treaty which was signed so dramatically on January 16 at the L.B.J. Ranch in Texas.

Let us recognize first of all that Canada is anxious to develop its industrial capabilities. I am all for that, particularly to the extent that this industrial capability can be developed economically and competitively to the advantage of Canada, both internally and in relation to its trade with other countries.

The treaty or agreement regarding automotive parts was developed on condition that certain large automobile and parts manufacturers—principally the Chrysler Corp., Ford Motor Co., General Motors, and American Motors—would agree to maintain the existing ratio of production. These private agreements contain a commitment to increase the value of production of automobiles and automobile parts in Canada by a total of \$241 million over the next 3 years.

In reliance upon these commitments, the agreement was developed which provides for the elimination of duties on both sides of the border in such a manner that these large manufacturers will be protected and will probably gain some substantial advantages to the detriment of smaller, independent parts manufacturers. Let me point out that the manufacture of automotive parts is carried on by a large number of small, independent concerns in addition to larger companies that operate both within the United States and in Canada. Obviously an American company with a Canadian subsidiary will, under the agreement, be able to export parts to the Canadian subsidiary for attachment to new vehicles without payment of duty. In addition, the new automobile which is assembled in Canada with Canadian-made and American-made parts may be imported into the United States without payment of duty.

But heretofore there has never been any distinction made between automotive parts going into a new vehicle and those going into used vehicles. Indeed, Canada has always been a fertile market for used automobiles and for replacement parts. American concerns have developed a reliance upon this market and, notwithstanding the Canadian duties, were able to compete with the Canadian parts manufacturers. Under this legislation, those trade opportunities will disappear. Certain parts manufacturers are to be favored over other

parts manufacturers, dependent upon whether the parts will find their way into a new vehicle or a used vehicle. This distinction has never been made before and yet it serves to reveal the intent and purpose of the agreement which is to continue in effect the same discriminatory practice against certain American parts manufacturers.

Let me say this: If the Canadian Government wished to remove all tariffs on automobiles and on automotive parts, there would be no controversy here today whatever. The controversy results because first, there is a guarantee provided of an increase in Canadian automotive and automotive parts production, and second, the new automobile and automotive parts production in Canada is bound to increase at the expense of the automotive parts manufacturer in the United States.

I say this is bound to happen and yet, of course, I should qualify my statement by declaring that the American automotive parts manufacturers will suffer only to the extent that they depend upon export sales to Canada. If the domestic parts business continues to improve, American parts manufacturers will continue to prosper despite this agreement, but not because of it.

In speaking as I do on this subject today, I want also to emphasize that some American industries will undoubtedly benefit from this legislation. They will benefit because Canada has a growing market for new and used automobiles and for new and replacement automotive parts. Through the utilization of subsidiary companies, the parent company can transfer operations more easily and perhaps, in many instances, more economically.

But, Mr. Speaker, in the light of our system of private enterprise, it seems to me that this legislation is wrong. It does not treat all alike and it does not protect the individual American manufacturing concern against the unfair competition which is implicit in the agreement which this bill would validate.

It has been suggested to me that the step taken by this legislation must be taken in order to solidify close and harmonious relations with our Canadian neighbors. On the contrary, I am suspicious that the measure is designed to placate and satisfy the current political administration in Canada. I wonder if the policy of that administration is not one of greater Canadian nationalism, of Canadian self-interest, self-sufficiency, and isolation as contrasted to the policy of cooperation and harmony which we would like to see developed. I am fearful that seeds of disagreement and misunderstanding are contained in the bill before us.

Would that it were possible for the Congress today to express the desire for free and unrestricted trade in automobiles and automobile parts of all types. If this were possible under the rule, I would undertake to offer an amendment to the bill to permit the President to negotiate such an agreement. Regrettably, under the rule as presented, such an amendment would not be possible. Accordingly, I am suggesting that the



Public Law 89-174
89th Congress, H. R. 6927
September 9, 1965

An Act

79 STAT. 667

To establish a Department of Housing and Urban Development, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

Department of
Housing and
Urban Develop-
ment Act.

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development; to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

Appointment of
Secretary.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to community and metropolitan development problems; consult and cooperate with State Governors and State agencies, including, when appropriate, holding informal public hearings, with respect to Federal and State programs

Duties.

for assisting communities in developing solutions to community and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of community and metropolitan development programs and projects; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban and community development activities; encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department; and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS AND OFFICES

Under Secretary.
Assistant Secretaries.
Appointment.

Federal Housing
Commissioner.

Assistant Secretary for Administration.

Director of
Urban Program
Coordination.

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. There shall be in the Department a Federal Housing Commissioner, who shall be one of the Assistant Secretaries, who shall head a Federal Housing Administration within the Department, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

(c) There shall be in the Department a Director of Urban Program Coordination, who shall be designated by the Secretary. He shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban and community problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

Repeals.
68 Stat. 620.
12 USC 1723.
78 Stat. 421.
5 USC 2211.
Report to Congress.

16 USC 4601-4 note.

5 USC 133z note.

(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949 (63 Stat. 203), as amended, or by statute.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

62 Stat. 677.

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

Transfer of personnel, assets, etc.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

Restriction.

68 Stat. 622.
12 USC 1716 note.

Compensation of
personnel.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

78 Stat. 419.
5 USC 2211.
Delegation of
authority.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

Repeal.
68 Stat. 623.
42 USC 1451.
60 Stat. 810.
5 USC 55a.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

Working capital
fund.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

Seal.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed, by and with the advice and consent of the Senate, shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such

office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

Approved September 9, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 337 (Comm. on Government Operations) and No. 884 (Comm. of Conference).

SENATE REPORT No. 536 accompanying S. 1599 (Comm. on Government Operations).

CONGRESSIONAL RECORD, Vol. 111 (1965):

June 15: Considered in House.

June 16: Considered and passed House.

Aug. 10: Considered in Senate.

Aug. 11: Considered and passed Senate, amended, in lieu of S. 1599.

Aug. 30: Senate agreed to conference report.

Aug. 31: House agreed to conference report.

children, and neglected children are expanded to a total of \$135 million for the current fiscal year. This amount increases to \$180 million for 1970 and afterwards. These increases will help the States move toward the goal of extending these services to all children who need them, throughout the State, by 1975.

—*More training of personnel for crippled children:* Grants will help institutions of higher learning provide special training to the professional health personnel who will be needed to work with crippled children, particularly mentally retarded children and those with severe handicaps. The law authorizes \$5 million for this purpose in fiscal 1967; \$10 million in 1968; and \$17.5 million in each succeeding fiscal year. Personnel to be trained under these grants include physicians, psychologists, nurses, dentists, and medical social workers.

—*Boost in social security benefits:* A 7 percent increase in monthly benefits is going to some 3 million children of retired, disabled, or deceased workers covered by social security. This increase will provide an additional \$159 million in benefits to these children. It will be of particular help to children in large families, many of whom are among the most impoverished in the Nation.

—*Increased public assistance payments:* The law makes additional funds available for needy children and youth. At present, parents aided by public assistance programs receive an average of only \$1.15 a day to cover food, clothing, shelter, education, and other needs of each child. Under the new legislation, Federal funds are increased so that about 4 cents a day more could be spent for the support of each of the 3 million of the Nation's neediest children. As small as this amount may seem, it would mean about \$5 more a month for a mother and three children—enough to buy a pair of shoes for a child who might otherwise have to go without them and perhaps have to stay out of school as a result.

—*Work incentives:* The law gives dependent children under 18 an incentive to take part-time jobs, such as delivering newspapers, without resulting in reductions in their families' public assistance payments. Under the new provisions—if adopted by the States—they can earn up to \$50 a month each without penalty (with a ceiling of \$150 on total earnings by children in one family).

In addition, if children (or other public assistance recipients) receive up to \$5 a month per person from any source—such as social security benefits, help from a relative, or a part-time job—the family will not have its public welfare grants reduced. This provision also depends on State action.

—*Liberalized payments to students:* States may now use Federal funds under the program of aid to families with dependent children to make payments to young people up to age 21 who are attending high school, taking vocational training, or attending a college or university. College and university students aged 18 to 21 were previously excluded. In addition, social security benefits have been extended to cover some 295,000 young people up to age 22 who are full-time students; this liberalization will total about \$195 million.

NOTE: The statement and report were released at Austin, Tex.

Small Business Share in Defense Contracts

Announcement of Report to the President From the Secretary of Defense. September 8, 1965

Secretary of Defense Robert S. McNamara has reported to President Johnson that small business firms received \$5,305 million in defense prime contract awards during fiscal year 1965, \$463 million more than the total for the previous fiscal year, and the highest dollar volume since the Korean war.

The Secretary stated that small business firms received 20.3 percent of all defense prime contract awards with U.S. business firms during fiscal year 1965 compared to 18.0 percent for fiscal year 1964. It was the highest small business percentage since fiscal year 1957.

These excellent results are closely related to the active programs to assist small business initiated by the Department of Defense and carried out by small business and procurement specialists in all Defense procurement installations.

Procurement of commercial type items, military construction, and small purchases increased by \$394 million, and civil functions (rivers and harbors work of the Army Corps of Engineers) increased by \$133 million. The small business shares of these contracts were 44 and 49 percent.

The Secretary stated that the small business "set-aside" program has been a favorable factor in the total dollars awarded to small business firms. This preference program has steadily increased during the 7-year period starting in 1959 when \$643 million were awarded through set-asides to \$1,642 billion in fiscal year 1965. The fiscal year 1965 set-aside awards for small business are the highest since the inception of this program.

Another significant Department of Defense program which has been helpful to the scientific and industrial community in small business source development has been the small business and labor surplus area procurement clinics which have been held in a number of sections of the country. At these clinics (in which Defense is joined by the Department of Commerce and the Small Business Administration) the Federal contract process is explained by procurement specialists and current bid packages are available for consideration and subsequent bid action by potential contractors.

National Export Expansion Council

Announcement of Appointment of Executive Board Members and Plans for First Meeting. September 8, 1965

The President today announced the appointment of 16 business leaders to the Executive Board of the enlarged and revitalized National Export Expansion Council.

At its first meeting, which is to be held on September 22 with Secretary of Commerce John T. Connor, the Board will review the export promotional activities of the 42 Regional Export Expansion Councils and seek ways to strengthen their role. It will also identify impediments to the continued growth of U.S. exports and suggest corrective actions.

The Executive Board's recommendations will be reviewed by the 66 members of the NEEC at a conference to be held in Washington on October 18. The NEEC's membership includes the Regional Council chairman, the heads of 10 national associations and 14 nationally prominent businessmen, all volunteering their services on this Council which advises the Secretary of Commerce on policies for expanding U.S. exports.

Officers of the NEEC are Luther H. Hodges, Honorary Chairman; Fred C. Foy, Chairman, and Robert Dwyer, Vice Chairman.

In addition to the officers, the members of the Board are:

ADAMS, K. S., chairman of the board, Phillips Petroleum Co., Bartlesville, Okla.
 DAVIS, W. R., president, The Permian Corp., Midland, Tex.
 DOUGLAS, DONALD W., JR., president, Douglas Aircraft Co., Inc., Santa Monica, Calif.
 GERSTAGGER, CARL A., chairman of the board, Dow Chemical Co., Midland, Mich.
 JEFFERS, LEWIS F., chairman of the board, Hayes International Corp., Birmingham, Ala.
 LONG, ALBERT L., executive vice president, Republic National Bank of Dallas, Dallas, Tex.
 MINETT, IRVING J., group vice president, international operations, Chrysler Corp., Detroit, Mich.
 MURIALE, WILLIAM A., vice president, international relations, Bank of America, San Francisco, Calif.
 NORRIS, ROBERT M., president, National Foreign Trade Council, Inc., New York, N.Y.

OELMAN, ROBERT S., chairman of the board, National Cash Register Co., Dayton, Ohio.

SPANG, KENNETH M., vice president, Overseas Division, First National City Bank, New York, N.Y.

STEVENSON, ROBERT S., president, Allis-Chalmers Mfg. Co., Milwaukee, Wis.

WILL, ADM. J. M., chairman of the board, American Exports Isbrandtsen Lines, Inc., New York, N.Y.

Foreign Assistance Appropriation Act

Statement by the President Following Passage of the Bill by the House of Representatives. September 8, 1965

Passage of the Foreign Assistance Appropriation Act by the House of Representatives, coming so swiftly after the authorization bill enacted last week, reflects a welcome and healthy understanding between the executive and legislative branches on this important program at a critical moment in history.

The bill passed by the House provides the smallest reduction ever made below the administration's original authorization request. It is \$175 million below the request I submitted early this year, and \$75 million below the appropriation request.

I commend the Members of the House for the prudence and promptness of their action today. It is heartening news to those here and abroad who look to this program for help in liberating men from tragic want, disease, and oppression.

BILL FOR THE CREATION OF THE DEPARTMENT OF HOUSING AND URBAN AFFAIRS

*The President's Remarks at the Signing Ceremony in the Rose Garden.
September 9, 1965*

Good morning. Mr. Vice President, Members of the Congress, most distinguished mayors, ladies and gentlemen:

This is a very rare and very proud occasion. We are bringing into being today a very new and needed instrument to serve all the people of America.

This legislation establishes the 11th department of our Federal Government—the Department of Housing and Urban Development.

When our Nation was born, the only departments of Government were State and Treasury and War. Our country and our Government have grown greatly since that time. But we have been sparing in creating new and additional departments except when the need has been clear and compelling and continuing. This is clearly the case for this, the newest department.

The America of our Founding Fathers was, of course, a rural America.

The virtues and values of our rural heritage have shaped and strengthened the American character for all of our 189 years. Our debt to this heritage is deep and abiding, and we shall honor it always.

When Thomas Jefferson spoke of rural virtues, cities were insignificant on the countryside of this continent. Only 5 percent of our people lived then in cities and villages. America was the land of the farmer, the woodsman, the hunter, and mountaineer. Even a century ago when Abraham Lincoln asked the Congress to create a Department of Agriculture, fewer than 20 percent of our people lived in the cities.

Now that day is gone. It never will return.

In less than a lifetime—in less than my own 57 years—America has become a highly urbanized Nation, and we must face the many meanings of this new America.

Social change in our country is often faster than the mind of a generation can comprehend. But the pace of our urbanization has been stunning. It will move still faster in the immediate years ahead.

Between now and the end of this century, our urban population will double. City land will double.

In the next 35 years, we must literally build a second America—putting in place as many houses, schools, apartments, parks, and offices as we have built through all the time since the Pilgrims arrived on these shores.

The physical challenge is awesome. But there is a challenge to the spirit that is even greater and more demanding.

It is not enough for us to erect towers of stone and glass, or to lay out vast suburbs of order and conformity. We must seek, and we must find the ways to preserve and to perpetuate in the city the individuality, the human dignity, the respect for individual rights, the devotion for individual responsibility that has been part of the American character and the strength of the American system.

Our cities and our new urban age must not be symbols of a sordid society. The history of every civilization teaches us that those who do not find new means to respond to new challenges will perish or decay.

Unless we seize the opportunities available now, the fears some have of a nightmare society could materialize.

Unless we match our imagination and our courage to our affluence, we could fail both our past and our posterity.

So the enactment of this legislation and so many other measures of this Congress represents the unified determination of this generation to preserve the best of the past by preparing to make the future better still.

With this legislation, we are—as we must always—going out to meet tomorrow and master its opportunities before its obstacles master us.

In the days of our population's westward movement, we created the Department of Interior. The rise of great industry brought the response of the Department of Commerce and Department of Labor. The growth of our world responsibilities made it necessary to unify our security forces in a Department of Defense. President Eisenhower saw that the magnitude of our health and education and welfare programs required a new department devoted to their fulfillment.

So today we are taking the first step toward organizing our system for a more rational response to the pressing challenge of urban life. This is a historic action and this is a historic occasion. All who have been a part of it can forever be proud of it.

I am grateful, particularly to those Members of the Congress whose energies and efforts have made this ceremony possible today: the distinguished Vice President, Senator Ribicoff, Senator Muskie, Senator Clark; the dedicated Chairman of the House Committee, Congressman Bill Dawson; his colleagues, Congressman

Fascell and Congressman Reuss, and a dozen more Congressmen and Senators I do not have time to mention. They all, the Congress, all of them, had a vital bipartisan support from a host of their fellow Members.

This is a wise and this is a just and this is a progressive measure for all America, and I am honored to sign it this morning.

Thank you.

NOTE: The President spoke at 10:06 a.m. in the Rose Garden at the White House.

As enacted the Department of Housing and Urban Affairs Bill is Public Law 89-174.

Commemorative Stamp Honoring the Late Adlai E. Stevenson

The President's Remarks at the Unveiling of the Design of the Stamp. September 9, 1965

Members of the Stevenson family, Mr. Vice President, the distinguished leadership and Members of the Congress, Postmaster General Gronouski, friends and associates of Adlai Stevenson, ladies and gentlemen:

We meet here today to share an act of remembrance. Less than 2 years ago, Adlai Stevenson took part in a ceremony honoring the memory of Eleanor Roosevelt with a commemorative stamp. He said of her that she was a symbol of man's humanity to man.

So, today, in honoring him we honor another whose life speaks to us of the brighter side of man's nature—the side of service and the love of our fellows.

I will not now add to the many words which have been said in his praise. It is sufficient to know, as Winston Churchill once said, that he has left a lonesome place against the sky.

For almost two decades, Adlai Stevenson skillfully and beautifully helped shape the dialogue of 20th century democracy. The possibility he revealed, the horizons that he opened, and the dangers of which he warned are today the central concern of the United States of America.

I know they are my concern.

Above all, he taught that the goals of America, and the road we must travel to reach them, could be followed consistently with the most noble of our ideals. Indeed, there could be no other way.

What more can be said of a public man than this: He believed in man. He revealed the prospects of peace. And in his own life he served the cause of mankind just as he so eloquently proclaimed it.

NOTE: The President spoke at 11:32 a.m. in the Rose Garden at the White House.

Gross Collections of Federal Taxes

Preliminary Figures on Collections During Fiscal Year 1965. September 9, 1965

Gross collections of Federal taxes reached a new record high of \$114.4 billion in the fiscal year ended last June 30.

The figure represents an increase of \$2.2 billion over the 1964 fiscal year.

Largest part of the increase is accounted for in corporation income taxes, which yielded \$26.1 billion in fiscal 1965, up \$1.8 billion from 1964.

Income tax collections from individuals, reflecting a full year at reduced tax rates, declined \$930 million to a fiscal 1965 total of \$53.7 billion.

Employment taxes, which finance social security and related programs, totaled \$17.1 billion in the latest year, an increase of \$93 million.

Excise taxes of \$14.8 billion in 1965 showed an increase of \$848 million. Estate and gift taxes increased \$328 million to \$2.7 billion in fiscal 1965.

Individual income tax returns (Forms 1040 and 1040A) received during fiscal 1965 totaled 65.9 million, compared with 64.2 million in 1964.

The figures are preliminary.

IRS reported these revenue results from its activities in the compliance area:

Yield from delinquent accounts collected and assessments on delinquent returns secured \$1.6 billion in 1965, down \$3 million from the previous year.

Additional tax, interest, and penalties assessed as a result of audit of returns, \$2.2 billion, against \$2.1 billion in fiscal 1964.

Additional taxes and penalties recommended for assessment in criminal tax cases investigated by the Intelligence Division, \$181 million, an increase of \$17 million from 1964.

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